Annual Review of Canadian Life Insurance

Largest Circulation of Any Canadian Financial Paper

THE FINANCIAL POST

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Canadian Mining News Department Page 24

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The Nation's Business

Evade Real Question in Beauharnois
How to Finance Our Parties
Government Costs Not Yet Deflated
Britain Shows Way to Freer Trade

Party Funds Are Main Issue

THE sundry investigations into various phases of Beauharnois, the speeches on political platforms and the discussions in the press only serve to emphasize the feeling of disgust in the minds of the public. What is going on is less an attempt to find out the truth of the Beauharnois scandal by judicial investigation than it is cheap political bickering. Each party is attempting to pin something dirty on the other; each party is trying to cover up its own trail and whitewash its own actions. The Conservatives are in power in Ottawa and in Toronto and so the various "investigations" that have been carried on have been directed largely to the end of getting something on the Liberals and evading discussion of points that might prove embarrassing to the Tories. The Liberals have no one but themselves to blame for this since they apparently acquiesced in a saw-off that closed down the parliamentary enquiry of last year.

* * *

THOSE people in Canada who do not take their partisan connections so seriously that they are ready to place party above country are thoroughly disgusted by the whole business. At the start the public was shocked by the actions of some of the Beauharnois promoters and the politicians who were involved with them. Now the public is shocked by the hypocrisy of the politicians who have been most prominent in exposing the whole scandal. So distasteful has this hypocrisy and this washing of dirty linen become that most of the good citizens of Canada would be quite happy if all the as yet unexplored channels of Beauharnois political scandals were vacated by the politicians of both parties and all phases of the matter turned over to a judicial commission. The politicians have hunted for trouble and they have revealed enough to make the public believe that both of the major political parties are badly tainted in the affair. The evidence does not support this view but the public disgust will be visited upon all the parties. Neither the Liberals nor the Conservatives can hope to gain any political advantage out of further tracking down of real or imagined culprits. Neither party can hope to make the public credulous of its sanctimony and freedom from stain. If the investigations could go on in a judicial atmosphere there would be some benefit; but now the discussion is being carried on only in the fetid atmosphere of the most sordid form of cheap political hypocrisy.

* * *

IN THE meantime, the central political question that has been raised by the affair is being avoided and is largely forgotten by the politicians. This is simply the question of how the party system is to be given the financial support that it must have. Most of the members of the committee that discussed party funds this week treated the subject as a joke.

Reasonable men would agree to certain propositions, no doubt, among them these:

1. The two-party system is here for many years yet and serves a useful purpose in government.
2. Political parties must have money to operate with.
3. They must obtain these funds by voluntary contributions since we have not yet arrived at a formula by which party contributions can be assessed against public revenues.
4. It is futile to restrict any classes of individuals, corporations or societies from making political contributions as any rules in this respect are capable of evasion. It is futile also to forbid any one interested in any general or specific favor or government policy to contribute to party funds as every one from the wealthiest to the poorest, from the highest to the lowest, is interested in what the government is doing.

* * *

THE man who recognizes that these propositions are inescapable under present conditions must inevitably feel then that the defence against scandalous injury to the public interest, in the matter of campaign fund contributions must be found in some direction other than legislative bans against such contributions or in the threat of sensational publicity at some

(Continued on page 2, col. 4)

IMPERIAL OIL HAS $8,000,000 FOREIGN GAINS

Dividends Earned in Dominion Only 33 Per Cent of Total

PETE ON OWN BASE

Gets Going Market Price For Crude From Parent Company; Standard (N.J.) Controls

Imperial Oil earnings in 1931 will prove to have been more than sufficient to pay the annual dividend of 50 cents a share but less than the 72 cents a share earned in 1930 which in its turn was less than the 99 cents a share earned in 1929. This falls in line with the statement made by Victor Ross, vice-president,—before the Banking and Commerce Committee enquiring into the price of gasoline at Ottawa —that in the last two years the company had not been able to make the 8 per cent on money provided by shareholders which had been found by an Ontario Government investigator to be the amount earned from 1920 to 1925.

Great Gasoline Tax Racket

Mr. Ross also stated that 67 per cent of the dividend comes from earnings outside of Canada. In other words, the company obtains for dividends from earnings in Peru, Colombia and Ecuador $8,000,000 yearly. The company pays its great subsidiary, International Petroleum, the going market price just as do other companies, and it bases its Canadian prices on the day to day fluctuations in the posted price of crude oil at Tulsa, Oklahoma. The company brought in much of its crude through its own pipe line from Sarnia to Cygnet, Ohio, where it joins up with a major pipe line moving crude 1,000 miles from Texas.

Questioned closely as to whether or not the correspondence in price changes in Canada did not indicate the existence of a combine, Mr. Ross stated that prices did move almost simultaneously because the competing companies could not make a profit on prices under Imperial prices and could not get the business if they sold higher. Therefore they followed Imperial Oil prices quickly and sometimes unwillingly. Mr. Ross and other witnesses admitted that prices in the United States, though differing widely in various localities, were lower than in Canada, but attributed the low prices south of the international line to bootlegging of gasoline over state borders which had grown to such an extent that it was "the largest commercial racket ever experienced by business men in the United States" and which probably deprived government revenues of taxes from $40,000,000 to $60,000,000 yearly overproduction caused distress selling in any case, but evasion of taxes made things worse.

Standard Owns 60 Per Cent

Standard Oil of New Jersey owns about 60 per cent of the stock of Imperial Oil, the dividends on their shareholdings being approximately paid by dividends received from sources outside Canada. The company was proud of the connection and had found it decidedly advantageous.

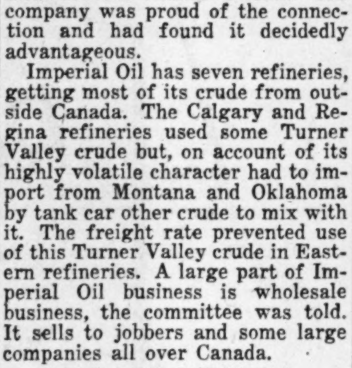
Imperial Oil has seven refineries, getting most of its crude from outside Canada. The Calgary and Regina refineries used some Turner Valley crude but, on account of its highly volatile character had to import from Montana and Oklahoma by tank car other crude to mix with it. The freight rate prevented use of this Turner Valley crude in Eastern refineries. A large part of Imperial Oil business is wholesale business, the committee was told. It sells to jobbers and some large companies all over Canada.

Farmers Owe $5,000,000

Imperial Oil annual statement when it comes out will show bills receivable of about $5,000,000. This is a carryover from the time in 1929 and 1930 when the Western farmer found himself unable to

(Continued on page 2, col. 3)

Stock Market



MARKET RECORD

Industrial Stocks	High	Low
Week of Mar. 22	34.2	33.0
Week of Mar. 15	34.9	33.2
Month of March, 1931	59.1	53.3
8 Bank Stocks		
Week of Mar. 22	204	204
Week of Mar. 15	204	204
Month of March, 1931	251	246
10 Public Utilities		
Week of Mar. 22	54	51
Week of Mar. 15	55	53
Month of March, 1931	89	82

Highlights of the Week

Happenings That Make News for This Issue of The Financial Post

A Great Gold Mine

The story of Kirkland Lake Gold Mines, product of J. B. Tyrrell's vision and genius, is told on two pages, 10 and 11.

Life Insurance Stable

Through the depths of depression, life insurance proves itself a stabilizing force. The reasons why are set down in a special supplement. Each important life company in Canada is analyzed. A chance for investors to check up on their companies and their policies. Beginning on page 13.

Financing the Parties

Beauharnois scandals continue to be aired and others continue to be covered up. But the important political issue raised by Beauharnois gets scant attention. It is the question of what we are going to do about better financing of the parties. See Nation's Business, page 1.

Probing Good Stocks

This week's radio talk discusses preferred and common stocks. Page 3. Why speculators lose so often. Page 9.

Millions in Cash

How thirteen Canadian companies have strengthened their working capital positions. Page 1.

Gold Mining Hit

New taxation robs properties and speculators of initiative for gold development. Page 24.

On to Great Bear

Many mining parties now are joining spring rush to Great Bear Lake Camp, new lure of North. Page 24.

Exit Bond Salesman!

Some startling ideas for the raising of standards in the investment banking business are outlined by Ontario's Security Commissioner. Page 1.

THIRTEEN FIRMS GIVE BAD LUCK BRAVE BUFFET

Surprising Progress in Financial Strength Since 1921 Depression

Thirteen Canadian companies whose records are analyzed in this article have passed from the black days of 1921 when pessimism was very great to the black days of 1932, when pessimism also is rampant, with a great increase in net liquid assets and such an increase in general resources in most cases that it is evident that a period of recovery in general business would find these companies in excellent position to take advantage of the situation.

In spite of two years of depression one finds that working capital has in this decade been multiplied 2½ times for Canada Cement, 4½ times for Canadian Canners, three times for Canadian General Electric, twice for Canadian Industries (in six years) Canadian Westinghouse, Dominion Bridge, Goodyear Tire of Canada, International Nickel, five times for Consolidated Mining & Smelting Co., and 4½ times for Ford of Canada. In the majority of cases funded indebtedness, where it existed, has been reduced, eliminated or increased only in relation to large expansion. Bank loans are non-existent in eight cases, are unimportant in four cases and have been reduced materially in the last year by Massey-Harris Co.

Representative Companies Chosen

No comparison is made in this article of the situations of important public utility companies which ordinarily have steady earnings and progress, or of dairy, bread, movie and other companies whose revenue is so constantly coming in that a strong working capital position is not regarded as important. The list might be greatly extended but those chosen are all leading companies in their line and several of them have struck periods of enforced idleness for a considerable portion of their plants. The point of interest and encouragement is that all are presenting a strong face to the difficulties confronting them and in the majority of cases have even improved their position relatively.

Expanded in Decade

The fixed assets of the companies have in most cases increased in the decade but in several cases, notably that of Canadian General Electric, a balance sheet decrease is shown because of huge write-offs for depreciation even though the company has actively extended plant and equipment in the decade. In the table given at the end of

(Continued on page 2, col. 3)

NEW ORDERS SPEED VICKERS PLANT WORK

Further Contracts Seen for Immediate Future

COVERS CHARGES

Financial Statement for Past Year Expected to Reflect Decline in Business

From Our Own Correspondent

MONTREAL.—Though business of Canadian Vickers in the fiscal year ended February 29 1932 showed a decline from that of the previous year; recent orders secured have thrown a more cheerful light on plant operations and tended to improve prospects for the early part of the current period.

Since the close of the last fiscal year orders totalling around $180,000 of new business have been placed on the company's books and additional contracts to an amount of approximately $80,000 are in immediate prospect, or a gross sum of $260,000. Details of the orders have not been disclosed other than the fact that they have been divided between two major departments.

Earns Fixed Charges

Operating results for the past year will not be published for about two months and no figures have been released on earnings since publication of the last annual report. It is understood, however, that profits were sufficient to cover charges though the financial statement is expected to reflect the lessened volume of business handled by the different divisions of the plant.

Wide revisions in operating policies have placed the company on a sounder footing in the past two years. Despite the fact that actual volume of business handled in the 1930 fiscal period was substantially less than in the preceding year, net earnings showed a 100 per cent gain at $637,070 and net profit was sufficient to cover preferred dividends compared with a net deficit of $200,040 in the previous year. Preferred dividends, however, have been suspended since 1929 and the surplus reduced a previous debit balance to a deficit of $143,807. Possibly the forthcoming financial statement will show this deficit reduced still further.

Though the new year has started well it is yet too early to make any forecasts. The possibility of better business for the dry dock and ship repairing division may be considered, though much depends on a more active movement of wheat down the Great Lakes.

Another aspect which, it is stated, may have a bearing on the company's operations in this division is the prospect of heavier imports of English coal. Due to the prevailing discount on Canadian funds in New York there is a likelihood that imports may swing more toward English sources where the Canadian dollar commands a premium.

Canadian Vickers started the past year with unfinished business totalling about $2,247,000. During the year the company completed contracts which included construction of an eight-cubic-yard dipper dredge, the largest of its kind in Canada; three Kidwell boilers for the British American Oil Co.; a $123,000 order for a bridge in Quebec and certain work in connection with rehabilitation of Saint John harbor, details of which have not been disclosed.

For some time past the company's airplane division has been slack though last year an order for six Bellanca machines was completed for the Dominion Government. With the drastic cuts made in government expenditure on aviation and the general inactivity in flying prospects for this department are not very encouraging at the moment.

The subsidy which Canadian Vickers receives under the Dry Dock Subsidies Act has an important bearing on the position of the $2,678,000 of 6 per cent first mortgage bonds outstanding. Under this act the company receives a subsidy of $105,000 annually effective until 1948 or the life of the bond issue. Interest charges on the bonds in the 1931 fiscal year totalled $162,508; sinking fund operations are now steadily reducing the total of bonds outstanding.

Coming in The Post

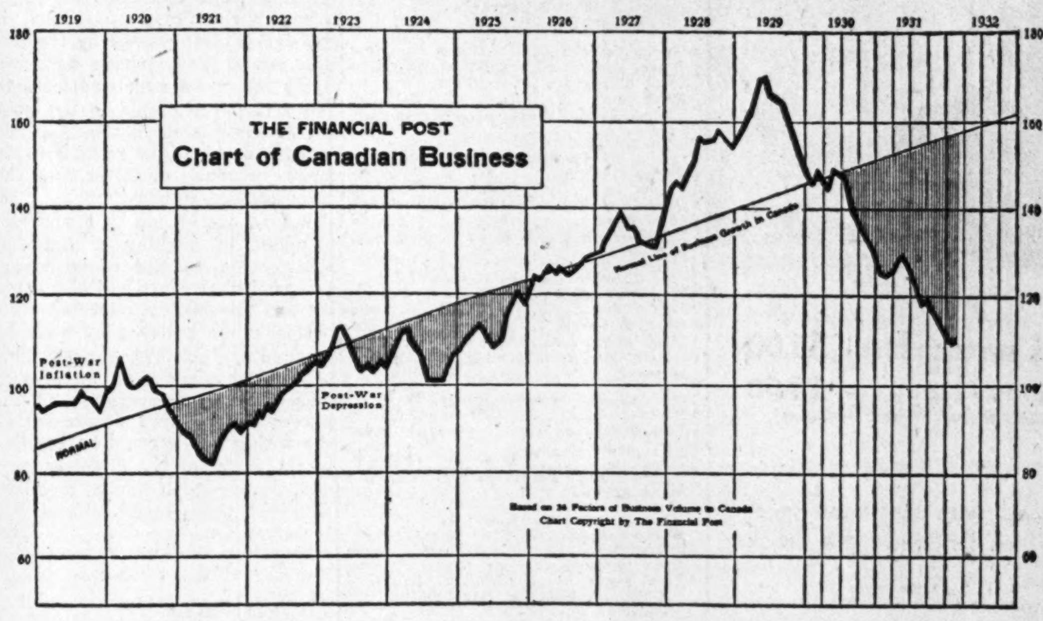
Within the next two weeks two interesting features will be provided for investor readers of The Post.

One will be a supplement reviewing the position of all public utility companies in Canada.

Another will be a supplement dealing with the position of the important trust and loan companies. Stocks of this latter group of companies provide investment opportunities overlooked by many investors.

Statesmen from all parts of the Empire are coming to the Imperial Conference. Some of them are well known to Canadians; others are new figures on the horizon. The Financial Post has asked John A. Stevenson to write a series of sketches of the men who will be at Ottawa in July. The first two sketches will run next week. Others will follow in subsequent issues.

Business Decline Halted in February



After a fairly steady decline over the past eight months, The Financial Post index of physical volume business in Canada turned upward in February. The index is compiled from 26 factors and is published monthly in The Post. About half the factors showed a gain for the month with iron, steel and motor car output having an important influence on the reversal in trend.

Imports of crude rubber and raw cotton were in larger volume indicating betterment in the industries using these materials. Construction was dull, while carloadings showed some improvement.

POST SHOWS 1931 RANKING OF LIFE CO'S

Sun and Metropolitan Leaders in Canadian Insurance Field

Ranking Canadian life insurance companies in order of their total business in force as at December 31, 1931, provides interesting results for those curious to know how each institution stands as at the end of an exceedingly difficult year.

Since government figures are not available as yet The Financial Post has compiled from each individual company the record of its gross business paid for during the year and also its total business in force (gross) at the end of the year. On the basis of the latter figure we have listed each company in the list subjoined below.

Topped off with Sun Life which this year overtook the $3,000,000,000 mark the list tapers down till 30 Canadian life companies are covered. First ten in order are: Sun, Canada, Great West, Manufacturers, Mutual of Canada, London, Confederation, Imperial, North American, and Dominion.

This record does not take into account U. S. A. companies nor does it take cognizance of the fact that some companies write a big volume of business outside Canada and others do not. Nor does it weed out industrial and group business from purely ordinary insurance.

As a matter of fact it will come as a surprise to many that Metropolitan Life has actually more business in force in Canada than Sun Life, since of Sun's total, $2,153,000,000 is in force out of Canada leaving only $898,000,000 in force in this country as compared with Metropolitan's $1,000,000,000 total. But, of course, Metropolitan's total includes $394,000,000 of industrial insurance which Sun Life doesn't write. Similarly London Life if its industrial business were to be excluded would drop lower down the list for it has $156,000,000 of industrial business in force.

One other interesting comparison is the ranking on the basis of gross business paid for during 1931. With a few exceptions there is little change from the business in force ranking, the notable difference being London Life which on the paid for basis ranks third instead of sixth. Great West it will be noticed drops back from third to sixth place, while Montreal Life moves up to thirteenth place—which we hope will prove lucky.

Here's the list so far as figures could be procured.

Canadian Companies (Total Business)	Gross Bus. in Force Dec. 30, 1931	Gr. Paid for Insurance 1931
1 Sun	$3,051,077,000	$527,939,200
2 Canada	1,029,759,000	116,048,000
3 Great West	616,536,300	51,832,000
4 Manufacturers	542,450,000	69,217,000
5 Mutual	513,380,000	53,193,500
6 London	461,207,000	95,199,300
7 Confederation	381,085,000	45,674,000
8 Imperial	301,467,000	28,206,000
9 North Amer.	197,898,600	22,935,000
10 Dominion	150,320,000	19,087,000
11 Crown	136,684,000	18,826,000
12 Excelsior	98,020,000	12,050,000
13 Monarch	61,148,000	6,024,500
14 National	60,590,600	7,603,000
15 Northern	53,196,000	4,939,400
16 Ont. Equit.	51,356,000	6,326,400
17 Montreal	40,851,000	8,663,000
18 Continental	38,809,000	4,300,000
19 Mutual L. & C.	34,356,300	5,910,800
20 Sauvegarde	30,891,000	3,960,000
21 Sovereign	27,215,000	2,290,000
22 T. Eaton Life	27,070,000	3,527,000
23 Capital	20,145,000	2,502,000
24 Empire	18,246,000	*3,431,000
25 Maritime	12,362,000	2,142,600
26 West. Emp.	10,935,100	*2,675,700
27 Commercial	10,527,000	1,159,000
28 Saskatchewan	10,385,000	946,650
29 Western	[illegible],000,000	......
30 Royal Guard.	4,087,200	732,300
Br. & U.S.A. Companies (Canada Business Only)†		
1 Metropolitan	1,036,136,000	*224,744,000
2 New York	194,494,000	11,039,000
3 Aetna	92,257,800	10,245,200
4 Mut. Relief	22,321,700	*4,211,000

*Issued Business — No paid-for figures available.
†No 1931 figures available for Travelers or Mutual of N.Y.

Cosmos Imperial Fills Order for British Army

Cosmos Imperial Mills plant at Yarmouth, N.S., completed on March 15 a large order for the English army of cotton duck for tents. The order was large enough to give the employees of the plant five days work a week for a month.

Beauharnois Policy Should Be Revealed

With the passage of another week, there is no more news for Beauharnois investors. In the House of Commons, Hon. W. D. Euler, asked Prime Minister Bennett:

> "On two or three occasions within the last two or three weeks, I have asked the prime minister whether he could give the House information regarding the guarantees given to the banks in respect to the work at Beauharnois. I do not intend to press the matter unduly, but it is becoming of very considerable importance to the public; bonds and stocks of the company are going down and the press is asking some explanation. If it were possible for the prime minister to give an explanation I think it would be desirable."

To which the prime minister replied: "I regret that I am not in a position to give the hon. gentleman the information he asks for."

Negotiations are going on for the possible sale of the Beauharnois interests to a group of power companies headed by Sir Herbert Holt and his Montreal Light, Heat and Power Cons. These negotiations were referred to in The Financial Post last week.

In the meantime holders of the $30,000,000 of collateral debentures of Beauharnois continue to be thoroughly disturbed by the situation. They have a very definite promise from the prime minister that their interests will be protected but they also witness their debentures selling at half the price they were quoted at before that promise was given. They have been told, unofficially, that the bank guarantees, which the government has been giving to enable the enterprise to go ahead, have been withdrawn.

Officially and authoritatively these debenture holders know nothing about where they stand today. A comprehensive statement by Rt. Hon. Mr. Bennett of the policy of the government toward the Beauharnois enterprise is called for immediately.

Federal License Planned For Foreign Mutuals

Famous New England Mutuals May Transact Business Without Deposit if New Statute Passes

From Our Own Correspondent

OTTAWA.—Legislation to permit foreign mutual insurance companies to be licensed under federal charter without making a deposit with the receiver-general is about to be introduced at Ottawa, The Financial Post learns.

The bill may be presented to the Senate on Thursday of this week. If not, it will be brought in as soon as that body reconvenes after the Easter recess. If it is successful it will settle one of the most vexed questions in Canadian insurance history, and will permit the famous New England factory mutuals with over $500,000,000 of fire insurance at risk in Ontario and Quebec alone, to at last operate under federal charter.

The way in which this will be achieved The Post learns is that only foreign mutuals now operating in Canada will be admitted and that in lieu of a deposit the companies will be asked to set up a reserve amounting to twice the amount of their net premiums on the understanding that such reserves will be available for distribution pro rata to Canadian policyholders in the case of need.

This basis of settlement has been approved by most if not all the various interests concerned and it is hoped will not meet with opposition. If it becomes law it will settle a question which has been a matter for controversy in insurance circles in Canada for decades.

The foreign mutuals, which hitherto have operated under provincial charters, would then come under federal jurisdiction. The provincial governments of Ontario and Quebec, however, are not parties to this agreement, are not in favor of it, and some resentment of the kind voiced this week by Hon. W. H. Price, Attorney General of Ontario is not unexpected.

In the past, the point at issue between the federal insurance office and these foreign mutuals concerned the matter of deposits. The federal office desired the assets of the companies to be segregated in deposits, and the companies were unwilling to do this. The new bill will remove this difficulty.

The statement of Mr. Price aroused considerable surprise in government circles here. Mr. Price rather indicated that the Federal Government was invading what is a purely provincial field of jurisdiction. However it is not believed that this development will hinder negotiations which have been in progress now for some weeks, but in fact, it is thought that it may even be the means, indirectly of bringing the matter more quickly to a satisfactory conclusion.

Surplus Distribution By C.P.R. Bulks Large

From Our Own Correspondent

MONTREAL.—Distribution of accumulated surpluses of $9,363,177 has been made by the Canadian Pacific Railway in the past two years. The sums have been included in special income account; and while apportionment of the Allan Steamship surplus of $6,500,000 was shown in the 1930 report, the prospectus covering the recent offering of collateral trust bonds brings to light two other interesting disbursements.

The first comprises an addition to special income for 1930 of $1,040,000 representing the accumulated surplus of the Esquimalt and Nanaimo Railway which was not disclosed in the financial statement for that year. The other is the accumulated surplus of the Kettle Valley Railway totalling $1,823,000 which was not specified in the preliminary figures on 1931 special income.

Allowance for these apportionments throws a clearer light on actual revenue from the various sources which contribute to special income. In 1930 special income totalled $20,042,923; deducting inclusion of surpluses the figure stands at $12,502,756.

In 1931 total special income was $10,951,964. Of this, $1,823,010 was the accumulated surplus of the Kettle Valley Railway leaving income from other sources of $9,128,954. This compares with $12,502,756 in the previous year.

URGES TESTS FOR SALESMEN IN BOND FIELD

Ontario Commissioner Favors Full Training for Salesmen

DEFINE SECURITIES

Might Eliminate Door-to-Door Selling by Legislation — Follow British Method

Advising strict disciplinary control of members, thorough training for security salesmen, a definite code of ethics and possible legislation to clearly define different types of securities and eliminate door to door selling. Col. George A. Drew, Ontario Security Frauds Prevention Commissioner, addressed the members of the Investment Bankers Association of Canada in Toronto recently on "Can Legislation Protect the Investment Public?" Col. Drew believes that any correction which may be needed should come from the Association rather than by legislation. The address is as follows:

At the outset let me assure you that I do not propose to assume the rôle of an expert or lay down any rules for the conduct of your business. I welcome the opportunity of meeting so many members of the Investment Bankers Association and merely hope that I may indicate some ways in which the investing public could be assured of greater protection which is the primary object of the board with which I am associated, and which I believe is your desire as much as mine.

You occupy an important position in the business life of our country through your ability to finance government and municipal loans and also to raise the money necessary for the rapid industrial and commercial expansion which has taken place in the past few years, and, we feel reasonably sure, will soon be resumed again.

In my own opinion it is extremely important at the present time that legitimate financing should be handicapped as little as possible by restrictive legislation. On the other hand I think the extent to which interference should be withheld depends entirely upon the amount of disciplinary control that brokers themselves are prepared to exercise upon the members of their various recognized organizations. The importance of your relationship to the public cannot be over emphasized and I am inclined to think is sometimes forgotten even by brokers themselves.

Under our social scheme in which private ownership is still the foundation of our material comfort, and, in spite of Bernard Shaw's beautiful picture of Russia, is likely to be for some time to come, you play just as important a part in the happiness or unhappiness of the individual as does the doctor or the lawyer.

It seems that the controllable factors upon which our temporal happiness depends may be divided into three broad fields, first, our health, second, our relationship to the State and to other individuals with whom we do business, and third, the ownership of sufficient property to protect us against financial emergencies and provide a reasonable income for old age as one's earning capacity diminishes. In the first field the doctor plays the most important part, in the second the lawyer and in the third the broker, because while ownership may broadly be divided between ownership of land and

(Continued on page 2, col. 3)

Investor's Index

INDUSTRIALS, UTILITIES, ETC.

Assoc. Breweries	9	Goul's Pumps	21
Assoc. Qual. Can.	5	Howard Smith	8
Asbestos Corp.	13	Hy. Elec. Secs.	4
Admin. & Trust	4	Int. Utilities	9
Atlantic Sugar	12	Inv. Syndicate	9
Assoc. Canners	13	Ind. Mortgage	9
Algoma Steel	12	Int. Paper	4
Beauharnois	1	Internat. Loan	13
B. C. Power	4	Imperial Oil	1
C. N. R.	4	Inter. City Bak.	8
Collingwood T.	4	Int. Pete.	12
Consumers' Gas	23	Imperial Tob.	12
Conduits Co.	23	King Ed. Hotel	9
Can Vickers	1	Lond. Can. Inv.	5
C. P. R.	1	Legare, P. T.	13
C. P. R.	5	Massey-Harris	9
Can. Nor. Pr.	8	Mitchell, Robt.	21
Cons. Inv. Corp.	5	Nat. Cement	13
Can. Celanese	12	Palace Pier	9
Curtiss-Reid	12	Price Bros.	5
Dom. Glass	4	Quebec P. & P.	21
Divers St. Sec.	12	Sterling Coal	9
E. Twp. Tel.	23	Simpsons Ltd.	12
Edmonton Dairy	13	Tip Top Tailors	9
Fairbanks Morse	8	Tooke Bros.	12
Gt. Lakes Paper	4	Whittall Can	5
G. W. Saddlery	13	Wpg. Elec.	8

INSURANCE COMPANIES

Aetna Life	16	Mutual Relief	20
Confederation	19	Mutual of N.Y.	14
Can. Gen. Ins.	19	Maritime Life	16
Crown Life	14	National Life	14
Columbia Life	19	N. Y. Life	19
Continental	16	Northern Life	14
Capital Life	20	N. Amer. Life	19
Canada Life	18	Ont. Equitable	20
Dominion Life	16	Occidental Life	14
Commercial	17	Prudential (Eng)	20
D. of Can. Gen.	15	Phoenix Ass.	19
Equitable	18	Prudential	18
Eaton Life	15	Royal Ins.	20
Excelsior	15	Royal Guard.	19
Empire Life	19	Sauvegarde	19
Gt. West Life	14	Sask. Life	14
Imperial Life	17	Standard Life	20
London Life	20	Sun Life	16
Lon. & Scottish	20	Sovereign	17
Metropolitan	14	State Life	20
Montreal Life	18	Trevellers Co.	19
Mutual of Can.	17	Union Mutual	14
Mut. L. & Cit.	15	Tor. Gen. Ins.	19
Monarch Life	20	Western Life	17
Manufacturers'	15	West. Empire	20

QUOTATIONS

Bonds	18	Stocks	13
Mines	19	Grain	19

The makers of BROCK HATS sponsor two of the season's most outstanding values . . .

The St. Lawrence Hat - $5.00
The Horton Hat - - $4.00
(Prices differ slightly in some localities)

Superbly finished . . . and with that same smart styling and individuality which has made the Brock the leading Canadian hat.

Canners' Profits Decline; Prospects Brightening

Canadian Canners, since its year ended on February 28, is understood to have experienced marked increases in volume of business. In a year featured by price-cutting and over-production of tomatoes and some other products, profit margins were, in all probability somewhat interfered with but in actual volume of business the company had an encouraging experience. Toward the end of its year especially sales showed healthy increases in volume over corresponding periods.

The long liquidation by financially weaker competitors apparently has been halted. The latter have come to a decision that it does not pay to sell at a loss and recent strengthening of price, if maintained, will be of considerable benefit in the current year. Executives in the industry state that the technical position of the industry is much better and that there is little likelihood of credit being available for future crops to finance more than the market can consume.

Canadian Canners has met the situation by adding to its lines and seeking new business. Success is reported from these endeavors. The company is still in a strong condition, net working capital being understood to be around $6,500,000. Financial statement, however, is not yet ready though being prepared.

Government Cost of Air Mail

At an estimated total cost to the government of $472,539 there were from July 1, 1931 to January 31, 1932, 224,904 pounds of mail carried in the air mail services over a total mileage estimated at 644,786 miles according to a report compiled by Hon, Arthur Sauve, Postmaster-General.

Birkdale Shirts

. . . Set the Tempo in Fashion's Masculine 1932 Spring Song

New Stripe Variations . . . New Color Schemes . . . feature the Birkdale Shirts for Spring. Come in and see them for yourself. You will, we believe, be as enthusiastic about them as we are.

Collar Attached in plain shades of Blue, Tan—White or Two Separate Collars including the new Tab Collar in striped patterns.

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THE BANK OF NOVA SCOTIA
Established 1832
Capital, $12,000,000. Reserve, $24,000,000.
Total Assets over $265,000,000

THIRTEEN FIRMS GIVE BAD LUCK BRAVE BUFFET

(Continued from page 1)

this article fixed assets comparison is only given so that the relation of other items, notably funded indebtedness, can be seen. With their large plants such companies as these when production falls below 50 per cent, as it has for some of the companies engaged in mining and in construction of automobiles, farm machinery and buildings, have more than ordinary difficulties. Probably Massey-Harris has the hardest case but it made real progress in 1931 in liquidating receivables and inventories:

Canada Cement Co.

	1921	1931
	$	$
Working capital ...	1,742,500	4,291,046
Funded debt	6,073,080	20,078,000
Owed to banks ...	675,000	none
Fixed assets	28,932,152	39,633,435

Note—Funded debt and assets increase together.

Canadian Canners

	1921	1931
Working capital ..	1,641,426	7,000,035
Funded debt	1,820,000	3,534,400
Owed to banks	1,354,473	2,671,849
Fixed assets	6,400,468	15,594,358

Note—Funded debt grows in same ratio as fixed assets.

Canadian Car and Foundry Co.

	1921	1931
Working capital ..	6,775,734	6,545,416
Funded debt	9,051,557	none
Owed to banks ...	none	200,000
Fixed assets	23,188,776	25,079,701

Note—Funded debt elimination is real advance.

Canadian General Electric Co.

	1921	1931
Working capital ...	5,641,119	15,181,209
Funded debt	none	none
Owed to banks	none	none
Fixed assets	20,877,480	16,960,155

Note—Fixed assets increase and are shown at less.

Canadian Industries

	1921	1931
Working capital ...	*7,086,867	13,882,087
Funded debt	none	none
Owed to banks ...	none	none
Fixed assets	x7,961,702	22,086,504

*1925. x Including large amount for goodwill.

Note—Expanded rapidly and soundly.

Canadian Westinghouse

	1921	1931
Working capital ...	6,090,096	12,090,582
Funded debt	none	none
Owed to banks ...	none	none
Fixed assets	*4,545,506	5,424,738

*Included $550,000 patents, rights, etc.

Consolidated Smelters

	1921	1931
Working capital ...	def.2,432,335	*13,776,509
Funded debt	3,000,000	none
Owed to banks	5,166,957	*2,263,334
Fixed assets	16,858,493	34,261,365

*1930.

Note—Immensely stronger and long view future brighter than in 1921.

Dominion Bridge

	1921	1931
Working capital ...	4,169,458	7,414,514
Funded debt	none	none
Owed to banks	none	54,600
Fixed assets	4,032,453	11,188,036

Note—Slowing up now but is able and ready for any work.

Ford of Canada

	1921	1931
Working capital	6,335,632	27,552,607
Funded debt	none	none
Owed to banks ...	none	none
Fixed assets	5,308,481	*24,891,137

Note—Great expansion in decade. Well heeled to await revival of demand.

Goodyear Tire of Canada

	1921	1931
Working capital ...	5,611,587	10,058,878
Funded debt	1,179,920	1,396,500
Owed to banks ...	none	none
Fixed assets	7,155,786	12,379,434

Note—Also expanded earnings and dividends.

International Nickel

	1921	1931
Working capital ..	11,308,913	24,380,042
Funded debt	none	8,285,402
Owed to banks	none	none
Fixed assets	49,761,055	147,308,136

Note—Funded debt came with Mond Nickel merger. Richest mine in world, said Lord Melchett.

Massey Harris Co.

	1921	1931
Working capital ...	*19,918,222	32,188,494
Funded debt	*none	9,810,700
Owed to banks x .	*3,944,071	8,478,617
Fixed assets	*8,207,946	8,303,937

*1925. x—Includes accounts, bills and taxes payable.

Note—Wants and waits for larger farmer purchasing power.

Steel Co. of Canada

	1921	1931
Working capital ..	10,549,451	13,809,634
Funded debt	8,137,508	4,438,116
Owed to banks	none	none
Fixed assets	27,036,678	30,787,877

Note—Made huge sums during war, wisely conserved resources, kept plant to 100 per cent efficiency and has stood depression remarkably well in consequence.

IMPERIAL OIL HAS $8,000,000 FOREIGN GAINS

(Continued from page 1)

finance purchases of gasoline or kerosene in order to get his crop in. Imperial Oil, stated Mr. Ross to the committee, over-night transferred its business from a cash basis to a credit basis. That substantial amount was being carried by the company because it hoped to get it back. It had faith that Western Canada would come back and that Western farmers, who were not men to evade their debts, would be able to meet the many small individual amounts which made up this $5,000,000. However, in calculating the price of a product any company had to take into consideration what its probable losses might be.

The Nation's Business

(Continued from page 1)

vague future time, such as came to pass in the case of Beauharnois.

There is one prop of protection that can very simply be afforded to the public and that is publicity—not the threat of publicity in some cases with secrecy in others—but publicity for every campaign fund contribution as made.

* * *

THERE could be no more Beauharnois scandals, there could be no undercover insinuations regarding large donations of which the public is only suspicious, if legislation were passed by the Dominion and the provinces requiring party managers and candidates to file returns, available to the public, of every contribution received in cash or kind, the returns to be made frequently or at the time the donation was received.

But no one should be denied the privilege of making a financial contribution to the party whose policies he considers will best serve his and the public's interest.

One other policy may well be adopted by political parties. This is to rely more than at present upon private memberships in the parties. If a large proportion of the voting public could be enrolled in the ranks of the different parties, paying small annual membership fees, there would be less need to rely upon large donations from corporations seeking favors.

* * *

Little Deflation Yet in Government Costs

AS BUSINESS men and investors sit down to figure out what the new taxes of the provinces are going to cost them, and what the higher taxes of the cities and the Dominion are likely to cost them, they must inevitably feel a deep sense of shock and injustice, possibly even of disgust. Yet with it all there will be a feeling of helplessness. They see themselves putting their personal affairs and their business concerns through the most drastic processes of cost-cutting and reorganization only to find a major share of the work of deflation undone by the ingenuity of public treasurers who have scanned the horizons for new ways to levy taxes and have shown a devilish zeal in seizing upon the methods that seemed to be available. "Balanced budgets" is the battle cry of the politicians and a very good one it is. But the balanced budgets are going to be achieved by an admixture, in the average case, of 25 per cent economy; 25 per cent juggling with figures and possibly as much as 50 per cent new taxation.

* * *

FOR the last few weeks governments have experienced some hope that the remorseless pressure of economic events might make further economies unnecessary. Spurred on by new banking measures in the United States, and by Britain's indifference to the value of the pound, they saw a gleam of hope in the prospect of a rising tide of inflation or reflation (call it what you will) which promised to bring back the level of prices, to stimulate business and to make revenues more buoyant, so that deeper cuts could be side-stepped. But the tide has again turned—for what length of time we can not say—and recent incidents have suggested that deflation is going on for some time yet. In some directions, deflation cannot go much farther, for example in prices of primary commodities such as copper, silver, wheat, cotton, coffee, silk, etc. In other directions deflation can go much farther and unless there is a fundamental change in the economic situation will go farther.

* * *

TODAY the greatest measure of inflation the world over and certainly in Canada exists in the costs of government. Governments may point to minor economies here and there; to new public buildings deferred; in some cases to five or ten per cent cuts in civil service wages, to minor reductions in temporary staffs, etc. But there is not a major government in Canada that has carried through the process of expense reduction to the degree that it will inevitably have to be carried. Not many of the politicians realize that yet. There can be and will be no return of genuine prosperity in Canada until the proportion of the people's incomes that is spent by governments has been drastically cut. The sooner we appreciate that fact and adjust our government system to it the sooner will the corner around which prosperity is lurking be found.

* * *

Britain Leads World to Freer Trade

WHILE the tariffs imposed by Great Britain under the new Import Duties Bill are expected to furnish nearly $30,000,000 in additional revenue next year which, together with further governmental economies, should make it possible for the chancellor of the exchequer to afford some relief to British taxpayers as well as to provide a substantial amount for debt redemption, it is, paradoxical as it may seem, a big step forward toward the attainment of a great measure of world free-trade.

Superficially it would seem that the policy favored by Great Britain for the past one hundred years, of promoting the development of international trade through the reduction of tariff barriers to the absolute minimum, has been completely and finally abandoned and that the superiority of the protective system has been admitted. This, however, is not the correct interpretation of Great Britain's action, according to Barclay's Bank which states in its current monthly review:

"Although circumstances have necessitated a change in method, the objective remains the same. If the ultimate result of the imposition of fresh customs duties in this country were merely a net addition to the barriers already restricting the expansion of international trade, the development, from a world point of view, might well be regarded with serious misgivings.

"The power conferred upon the government by the new tariffs, however, is definitely intended to be used to negotiate reductions in the duties imposed by other countries, after the possibilities of a considerable extension of Empire preference have been fully explored at the forthcoming Ottawa Conference and, in this way, it is hoped to effect a considerable lowering, in the aggregate, of the barriers in all parts of the world which now hamper the inter-change of goods between nations."

URGES TESTS FOR SALESMEN IN BOND FIELD

(Continued from page 1)

ownership of securities, the purchaser of land usually engages a lawyer to search the title so that the responsibility for the security of the purchaser does not in the ordinary course of events fall upon the real estate dealer. In the happiness of the individual under our present social scheme therefore, I think you assume a responsibility equally great to that of the lawyer or the doctor. This brings me to a question which I submit for your consideration.

Before a doctor or a lawyer is permitted to advise the public in his own particular sphere of activity, he must spend from five to seven years after matriculation studying his profession and then must submit himself to very severe tests before being permitted to practise. Is it not possible that there should be some similar test of specializing knowledge required before a broker is permitted to advise an individual in regard to an investment, which may mean as much to his living comfort as the advice of either the doctor or the lawyer, and surrounded as we are today by the disastrous consequences of bad advice, the thought occurs that it may even be more important.

Doubtless the idea of such a requirement is somewhat revolutionary, but while I would not for a moment suggest at present that it would be practical to insist upon a period of training corresponding to that of a lawyer or a doctor, it does seem to me that there should be some minimum of knowledge of financial matters proved by some suitable test, before a broker is permitted to pose as a financial specialist and advise the investor in the very important problem of protecting his savings.

The numerous complaints which come into my office incline me more and more to the belief that the answer to the question as to whether or not legislation can protect the investing public, is dependent upon the qualifications of the broker and salesmen who are dealing with the public. This it seems to me is the crux of the problem. Bad advice honestly but ignorantly given is likely to have just as disastrous consequences for the investor as dishonest advice given by a man who intended from the outset to defraud the investor. In the financial consequences there is no difference and I have come to realize from the letters which I receive, that the public is not inclined to draw too sharp a distinction between the two causes for their loss and perhaps the public is not entirely unreasonable in that attitude.

When a man holds himself out to the public as a financial expert, surely the investor has reason to believe that the man who advises him to purchase certain securities is under some obligation in respect of that advice and that the advice is not merely actuated by a desire to sell the securities. Today millions of dollars worth of worthless or nearly worthless securities are held throughout the province which were purchased on the assurance that they were a safe investment.

I am not for a moment forgetting the abnormal financial period through which we are passing, but I am simply recalling the fact that all over the province there are people who have in their possession circulars and letters recommending the purchase of certain securities as safe investments, who now hold securities as a result of these recommendations which in many cases are worth a very small part of the purchase price, and in other cases are not today negotiable at all. The explanation that the crash of 1929 was something which affected the whole world and which could not reasonably be anticipated, is small satisfaction to these people who feel that they had a right to rely on the assurance that the securities they were purchasing were safe and that there was no unwritten condition in this recommendation that it was subject to the perpetuation of the then prevailing bull market. These people feel that they have been defrauded, and the fact that there may have been no legal fraud is no reason for failing to recognize that this feeling exists and that it is holding back funds that might otherwise be available for investment.

Integrity Not Questioned

In the past few weeks we have seen striking demonstrations of the investing power of the Canadian public in the purchase of hundreds of millions of dollars worth of federal, provincial and municipal bonds. We know from the statements of the banks that hundreds of millions more are available for investment purposes if the public can be convinced of the security of the investment. Is there not just a possibility that the hoarding of money in the banks of Canada and the United States is due as much to lack of confidence in the brokers as to any lack of confidence in the future of Canadian securities?

Please let me assure you that I am not in any way reflecting on the integrity of the brokers of this province. On the contrary, I am satisfied, that, with very few exceptions, their honesty is above reproach, but it is idle to suggest that the confidence of the general investing public in the advice of those responsible for financing our industrial development has not been very severely shaken. I say this in no sense of recrimination, but because I feel that it is a factor which should be recognized and everything possible done to overcome it.

Devise Ethical Standards

As I have previously intimated, I do not think the ethical standards of your business should be controlled by legislation. Your association comprises that group of responsible brokers in whose hands lies the greatest part of the primary financing of private enterprie in this province. It may be worth considering imposing your own educational and ethical standards, as is done in the case of the lawyers and the doctors of this province. I do not wish to press this comparison, but I have suggested why I feel there is a striking analogy between your relationship and theirs to the public.

You may already exercise considerable discipline over your members. I merely offer the suggestion that it may be desirable that you should bring this to the attention of the public. I take the liberty of suggesting that the more severe the standards are which you impose, the more the public will have reason to feel confidence in dealing with members of your association. I believe that it is of the utmost importance to the business of this province that confidence should be restored in all those who deal with the investing public.

Define Types of Securities

Any constructive step will undoubtedly be of considerable value. It is for you to decide whether any step will be taken, and, if so, what step will be, but I would suggest that the farther you are prepared to go in establishing some educational and ethical control, the sooner will that public confidence be restored which I am satisfied you are entitled to receive. I have two other suggestions to make before closing these remarks. The first is that you consider the desirability of having a federal act passed which would clearly define the various types of securities with which you deal. It may be difficult, but surely the words "bond," "first mortgage bond," "collateral gold note," "debenture," and so on, are definable. There is no escaping the fact that endless confusion and dissatisfaction has resulted from the loose use of these and similar names describing securities which the public generally felt they had reason to believe amounted to something more than an unsecured obligation of the company. If you think that there is anything in the suggestion and that it is practical, then I would urge that your association take the necessary steps to have this matter brought before the attention of the Federal Government.

Change Selling Method

The other suggestion is that you once more consider whether we might not perhaps in some modified form consider the advisability of following what was done in England two or three years ago, when, at the request of brokers themselves, the sale of securities from door to door was made a statutory offence. I know you have already considered this, and felt that the time had not yet arrived in this country to impose any such restriction I am, however, satisfied that it is through such personal canvass that most of the deliberate fraud occurs. This gives the unscrupulous high-pressure salesman the opportunity to effect a sale in which there is no written record of what took place, which, from a practical point of view makes it extremely difficult to protect the unfortunate purchaser, who probably has a very vague recollection of all the beguiling promises that were made and is faced by a flat denial on the part of the salesman, in which he is supported by the absence of anything in writing to the contrary. I know it seems drastic, and I also doubt that it should be applied to the sale of mining securities, in which case the public knows, or should know, that the investment is in any event of a highly speculative nature, but I would urge you once more to consider whether or not the advantages you would lose by such a restriction would not be more than compensated by the possibility of eliminating the unscrupulous salesman who not only takes money which might otherwise be directed into legitimate investments, but whose conduct also unquestionably indirectly affects all those similarly employed.

Should Be Voluntary

I appreciate that your selling organization is built up to a certain extent on the basis of such direct sales, but if it is practical to eliminate this method of distribution, I feel sure that legislation can go a long way in protecting the investing public, because, if transactions are reduced to writing, there is not much difficulty in detecting fraud when it occurs, and taking the necessary steps to prevent its repetition, and, if possible, restore his money to the investor who has been defrauded.

I would not suggest that any such restriction should be imposed until the brokers of the province are themselves prepared to recommend it, because any successful enforcement of the act with which I am concerned is dependent upon your co-operation and the support by at least the majority of the brokers of any restrictions which are imposed. There is the possibility, however, that even the suggestion by the brokers that they were prepared to recommend such an amendment to the act might be one of those constructive steps to which I have referred which would go a long way toward impressing the public with the earnest desire of the brokers to justify public confidence.

Once more let me assure you that I have pased these thoughts on to you for your consideration merely as an expression of my desire to co-operate with you in every way possible. You are experts in a certain line of business. There may be practical difficulties in the way of these suggestions, which make them unacceptable, but whether anything comes of these suggestions or not, let me urge upon you once more the desirability of some constructive steps which will remove the feeling of doubt that unquestionably still remains and may help to start the flood of dollars that will soon be necessary for the financing of public and private enterprises that are even at present under consideration.

If brokers throughout the province will exercise the necessary discipline over their own business, and co-operate with the board which I represent, in preventing not only openly dishonest, but also unethical, conduct on the part of brokers and salesmen, I am satisfied that the legislation now in force can go a long way toward protecting the investing public.

VARGAS DECIDES ON BRAZIL POLL, PREVENTS REVOLT

Decision by Getulio Vargas, de facto president of Brazil, to bow to demands from his own state of Rio Grande do Sul for a prompt termination of military rule apparently saves that country from the possibility of another period of disturbed conditions such as that which in 1930 accompanied the successful revolution which placed Vargas in power.

Brazilian Traction Light & Power Co. gross earnings in February were $2,420,300, down 22 per cent, operating expenses $1,074,268, down 15.87 per cent and net earnings $1,346,032, down 26 per cent. For the two months net earnings were $2,690,833, down to 30 per cent from the same period in 1931. A greater part of this decline is attributed to the difficulties of exchanging milreis for Canadian dollars. A revolutionary disturbance would greatly accentuate such troubles.

DODGE MFG. SHOWS LOSS ON OPERATION

Dodge Manufacturing Co. had loss on operations in the year ended Jan. 31, 1932, of $31,766 before depreciation of $33,983, which brought loss for the period to $55,749 as compared with net profit of $31,413 in the previous year. Manufacturing power transmission machinery, elevating and conveying equipment, the company was adversely affected by conditions in the grain, pulp and paper and mining industries. During the year the company purchased and cancelled 944 shares of class "A" stock on which there was a profit of $25,490.

Cash position was improved with current assets of $332,902 and current liabilities of $18,771, a ratio of 17.7 to 1 against a ratio of 14 to 1 the previous year. Cash on hand is shown at $82,890 and Dominion of Canada bonds at cost of $59,557. Inventories have been reduced to $150,257 from $199,157. Accounts receivable are down to $38,936 from $77,893. Fixed assets total $754,917 against which is reserve for depreciation of $101,273. There is now 17,056 shares of class "A" preferred stock of no par value and 24,000 class "B" common shares. The class "B" shares are carried at $393,483 from which is deducted deficit carried forward of $18,654.

INCOME AND SURPLUS ACCOUNT
Years Ended January 31

	1932	1931
	$	$
Net earnings	*31,766	67,889
Less: Depreciation ..	33,983	33,876
Income tax res.	....	2,600
Net profit	†65,749	31,413
Less: Class "A" divds.	....	36,000
Surplus	†65,749	†4,587
Add: Prev. surplus ..	23,605	28,192
Profit on redemption of pfd. stock ...	25,490	....
Less: Addit. inc. tax provision	2,000	....
Surplus forward	†18,654	23,605

*Loss. †Deficit.

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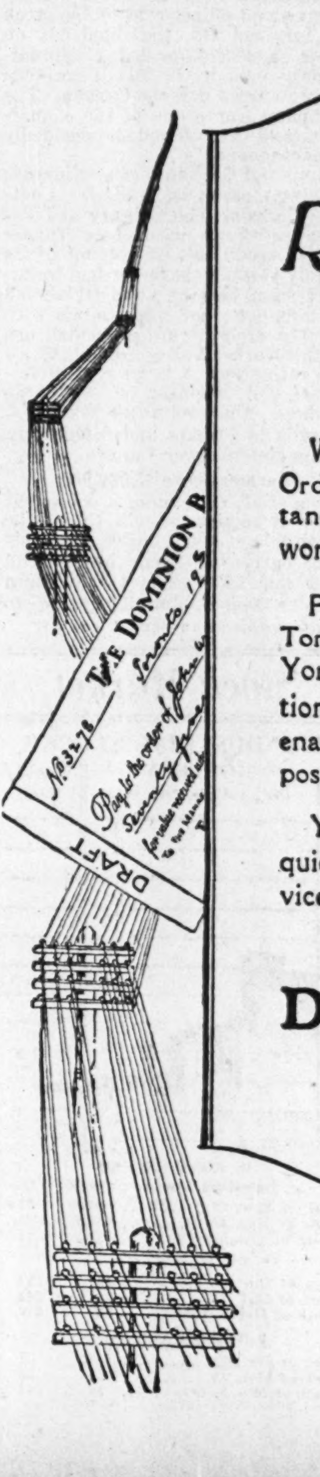

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P. T. LEGARE CO. EARNINGS SHOW CHARGES EARNED

Current Position Strengthened; Inventories Reduced

P. T. Legaré Co. had net earnings of $214,484 in 1931 as against $368,884 in 1930 and the peak of $433,006 reached in 1929. After reduced provision for depreciation, and payment of interest on bonds and debentures, the company had net profit of $46,262 or $7.51 per share on the 6,164 shares of $100 par value preferred stock outstanding. In 1930 preferred earned $20.24 a share.

Operating a chain of 66 stores and 1,000 agencies in Eastern Ontario, Quebec and the Maritimes which handle a diversified line of home furnishings, farm implements and musical instruments the company is stated to have maintained a rather high percentage in total of units sold, while the dollar volume of sales declined due to lower prices. Reserves for depreciation and provision for loss on receivables is approximately half that of 1930, but it is pointed out that the reserve has been increased from $444,676 to $1,017,544 since the end of 1926. Details of the income and surplus account for 1931 and 1930 are as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1931	1930
	$	$
Net earnings	214,483	368,884
Less: Deprec., etc.	65,000	138,170
Int. on bonds	61,222	63,976
Int. on debs.	42,000	42,000
Net profits	46,261	124,738
Less appropriations: Pref. dividends	43,148	43,148
Surplus for year†	3,113	81,590
Add: Prev. surplus	1,175,369	1,093,779
Bal. carried for'd.†	1,178,482	1,175,369

†Income tax not provided for.

The ratio of current assets and current liabilities has been increased to 3.54 to 1, from 3.07 to 1 shown in 1930. Current assets total $4,658,035 and current liabilities $1,314,204 to give working capital of $3,343,831. Cash is shown at $121,525, bills receivable at $3,279,170 and merchandise of $1,109,310 all of which items are under 1930 figures. Investments total $137,965. Bills and accounts payable have been reduced to $1,023,441 from $1,317,272 and deposits by officers to $259,202 from $278,737.

Lands, buildings, and equipment are carried at $2,771,212, an increase of some $48,000. Reserve for depreciation totals $1,017,544. Bonds outstanding amounted to $993,100, having been reduced by $40,900 through operation of sinking fund in 1931. There remains outstanding $700,000 of 6 per cent convertible debentures, $616,400 of preferred stock and 100,000 shares of no par value common stock carried at $1,666,400.

ASBESTOS CORP. PLAN IS EXTENDED

Time For Deposit Changed From March 15 to March 31

From Our Own Correspondent

MONTREAL.—In satisfaction of requests for an extension of the deposit date for securities of Asbestos Corp. the re-organization committee has extended the time for deposit from March 15 to March 31. The total of securities already deposited in favor of the plan averages nearly 60 per cent of the aggregate of all securities outstanding and the committee does not anticipate there will be any occasion for further extension beyond March 31.

In stressing its desire for deposit of securities at an early date, the committee states that such a procedure will permit a uniform method of distribution of new securities and save expense, while it will also insure the formal approval and completion of the re-capitalization in the shortest time possible, and will save some of the delays which are usually incidental to the required formalities in cases of this kind.

Prompt Deposit Desired

Prompt and general deposits of securities, the Committee feels, will permit the corporation to receive sooner the benefits of reduced fixed charges and accumulation of needed working capital. A special request is made for deposit of securities within the next few days, so that the committee can go ahead with the necessary legal steps, even before the extended time has expired.

The plan of re-organization of Asbestos Corp. provides that claims of the present general mortgage bondholders on the equity will be recognized by the allotment of a substantial portion of shares. Preference and common shareholders will participate according to their relative priorities.

Present first and refunding mortgage bondholders are offered $100 of new income bonds and one share of capital stock for each $100 bond, and general mortgage bondholders are offered one and a half shares of capital stock for each $100 bond.

National Cement Seeks Surrender of Charter

From Our Own Correspondent

MONTREAL.—Final chapter in the corporate history of National Cement Co. is seen in announcement that application will be made to surrender its charter. In November, bondholders approved a plan to wind up the company and directors adopted a by-law for the distribution of capital assets.

Preferred shareholders were offered $102.67 a share for their holdings and common shareholders $5.47 a share, payments subject to certain deductions principally income war tax.

National Cement Co. operating a plant at Montreal East, is a subsidiary of Canada Cement Co. It came into being in 1923. Control was sold later to a group headed by Messrs. Raymond, Wilson and Timmins and a new company of the same name was formed. In turn they sold out to Alfred Rogers of Toronto who in 1929 sold it to Canada Cement Co.

Associated Canners Bonds Are Authorized

Associated Quality Canners Ltd. has been authorized by shareholders to issue bonds to the amount of $2,000,000. No offering of bonds is contemplated at the present time.

At a special meeting held March 18 shareholders also authorized the company to purchase Spring Valley Canners Ltd. from Whittall Can Co. Spring Valley Canners recently acquired Best Canning Co. The companies will be merged with Associated Quality Canners Ltd. and operated as one company. The acquisition does not indicate any expansion since the companies have been closely allied in the past.

Preferred and Common Stocks Have Advantages

Strong Points of Equities Are Stressed in Radio Talk on Investment

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Editor's Note: The following address is the ninth of a series of talks on Principles and Investment arranged by Western High School of Commerce, Toronto, and broadcast by station CFCA on March 23. The next and final talk of the series will be on "Investment Policy—Influenced by Prevailing Conditions and Business Cycles" and will be given by A. E. Ames, A. E. Ames & Co., at 7.45 p.m. on March 30.

It may be thought that it requires some temerity to undertake this subject of preferred and common stocks, when we remember the heavy depreciation in such securities since October, 1929. The situation is much relieved, however, by the fact that a more or less similar deflation has, during the same period, affected practically all other kinds of securities, insurance reserves, most bonds and mortgages, real estate, commodities, and values in general.

Preferred and common stocks, in contrast with mortgages, bonds and the like, represent not promises-to-pay, on some definite date, but ownership. The stockholder is a limited partner in the undertaking. He thus carries both the risks and the benefits which come from the stock-owning relationship. As compared with common stocks preferred stocks have special safeguards for the investor, such as a prior claim upon earnings and assets, and accordingly involve smaller risks; they offer, however, less chance of capital appreciation than do common stocks, and thus usually return higher yields. In other words, preferreds may be expected to provide greater security and yield, and much less likelihood of substantial gain, than do their junior securities. As compared with bonds of the same corporations, preferred stocks afford higher yields, but less security. Of late years, preferreds have frequently been made more attractive by sinking funds, by participation and convertibility features, and the like, giving such preferreds some of the advantages of both bonds and common stocks.

May Add Security

Stocks therefore are added to an investment portfolio for various reasons. Properly-chosen common stocks increase, for the investment list, its safety, capital stability, marketability or liquidity, and capital gain through the general expansion of the country. The inclusion of a suitable proportion of high grade stocks increases investment safety by the avoidance of the heavy risks of concentration in any "trustee" bonds only, or, so to speak, in the money-market basket. Irving Fisher indeed speaks of the bonds holders "gambling" because the dollar will go up or down for all bonds at once. Thus (1) (see footnotes) during an important period of business expansion, stocks tend to rise in price, money becomes increasingly scarce, government bonds are sold by banks, etc., and tend to decline in price. If one owned only government bonds at the end of such a period, and had to liquidate one's estate, there would ensue a substantial loss. A combination of some bonds and some stocks would be much more stable in value because stocks go up, because of the self-same business expansion that tightens money and depresses government bonds. On the other hand, when business is declining, stocks gradually go lower, money becomes easier and government bonds normally rise. An investment programme involving both stocks and bonds, thus tends to increase safety, stabilize income, and maintain the level of the capital fund. Moreover, seasoned, active, listed stocks will decidedly increase the liquid quality of the investment fund.

Stocks are thus, in Vance's phrase (2)—"A positive and offensive method of offsetting risk by appreciation of capital." Laurence H. Sloan, vice-president of Standard Statistics Co., maintains that if, as he believes, the long-term-trend of business prosperity on this continent is upward, (3) then the average common stock, which reflects that growth, is a good, long-term investment. E. L. Smith in fact has enunciated a so-called "Law of Increasing Stock Values and Income Returns" which he believes result from the undistributed and ploughed-back-earnings policies of most good companies (4). Sloan, in fact, believes that, if business and stocks over a period do not move forward, then bonds also must ultimately be poor investments (5).

What is an Investment?

We are considering stocks in an investment programme. What do we really mean by investment? There are varying opinions. Some years ago, Laurence Chamberlain, New York investment banker, wrote his now well-known belief, that the only true investment is a secured promise-to-pay, bearing a fixed rate of interest; for example a bond or a mortgage. In this rather extreme view, not even the highest-quality stocks, since they are not promises-to-pay, would qualify as investments.

F. W. Hirst, former editor of the London Economist, believes that a purchase, to be an investment, should be for a long period—that the time involved is the primary, or at any rate an extremely important factor. Thus the in-and-out trader in bonds or stocks is not properly an investor. Mr. Hirst, however, believes in suitable stocks as investments, holding the view that in every case the safety—of bond, first mortgage or stock—depends finally upon the prosperity, that is, the earnings, of the corporation (6).

Ray Vance, formerly vice-president of the Brookmire Analyst, thinks that whether a transaction is an investment or a speculation depends upon the intention of the buyer, rather than upon other factors; is the buyer seeking security and regular income, or is he primarily seeking capital gain?

We may doubtless now conclude that if the buyer intends to assume only such risks as are appropriate to his financial circumstances, and normal to the moderate but steady income—and perhaps moderate profits—that he wishes to make, and if he is buying for a reasonably long period, say one-third of one business cycle, he is an investor, concerned chiefly with security and stability, of principal and income.

Investors' Needs Differ

In considering an investment programme we now confront the more difficult problem, namely whose programme; because any investment programme must be determined by the needs of the particular investor concerned. For instance, a bank or other corporation whose funds must be extremely liquid, will preferably buy only short-date government bonds, in order to obtain a maximum of security, of marketability and of stability of capital—the latter quality resulting largely from the short date and consequent price steadiness. The bank will buy few, if any, stocks. Likewise a trustee for a deceased person will include no stocks in his portfolio because this is not permitted by the trustee acts which govern him. On the contrary, a living trust might allow, or indeed specify, a substantial percentage of such securities, i.e. stocks. To insurance companies in Canada, a wide exercise of judgment in the matter of buying stocks is permitted by the insurance acts, subject however, to various safeguards, such as length of dividend record and the like. Accordingly insurance companies differ widely in their practice regarding stock purchase, from few or no such purchases by many companies, up to nearly 50 per cent of the total investments, by one outstanding company. With investment opportunities as we hope they now are in Canada and the United States, for insurance companies, 25 to 35 per cent of assets might be a fair allocation for investment in the soundest stocks. A somewhat higher percentage of stocks to total funds would apply to investment—especially management—trusts, since the necessity for absolute safety is not so fundamental with such trusts as with insurance companies, which are practically trustees.

But where should stocks rank in the investment programme of the successful professional or business man? He, as most other investors, should have a back-log of government bonds, probably of short date; he may also have a few strong first mortgages; he will be well insured in the various essential ways, life, accident, health, etc. Then, if he is acting on the best advice, he might well have—if he buys at the right point in the cycle, say 50 per cent of his investment fund, in outstanding and proved investment stocks preferred and common, mostly the latter.

Favored for Investment

Especially when commodity prices are rising, the average investor should not fail to "invest in purchasing power" through high-class stocks. Indeed, as commodity prices rise, thinks Prof. Irving Fisher of Yale University, stock prices should rise even faster and higher (7). Some authorities, such as Fisher, E. L. Smith and K. S. Van Strum, think that at such periods at least, stocks are a better and a safer purchase than bonds. After the first market crash in October, 1929, Irving Fisher spoke of "The now proved fact that common stocks are a better investment than bonds." He may not feel quite so sure now, but as recently as March 3, 1932, he wrote, "I favor common stocks as an investment in purchasing power." (8) Edgar L. Smith, to the same effect, speaks of buyers of high-grade long-term bonds, through lack of consideration of purchasing power, having engaged in "a disastrous speculation on the trend of commodity prices." Fisher likewise believes that "The unstable dollar tricks the bondholders," (9) adding that bonds are especially receptive in periods of rising commodity prices. On the other hand, promise-to-pay securities such as bonds are particularly good to hold during periods when commodity prices are definitely falling, because the purchasing power of such investment and its income are steadily increasing.

Principles to Follow

If it is conceded then, that a wisely-administered investment fund should include a percentage of preferred and common stocks, what principles should apply in their selection? Several such principles, to guide the corporate or private investor, seem almost self-evident;

(a) Secure the most experienced, reputable investment counsel possible, preferably a highly-regarded firm that are specialists in investment.

(b) Determine your investment needs and act accordingly; if these are safety, yield, marketability, capital appreciation, or stability of capital and income, choose the quantities you require and buy the appropriate securities embodying them. However, they will all seldom if ever, be available in one particular security.

(c) Practise diversification by such methods as restricting amount in any one security; buying different kinds of securities, e.g. bonds, and preferred and common stocks; including long and short maturities.

(d) Investigate exhaustively, in advance, such essentials as earnings record, management, sponsorship, financial position, such as current assets-liabilities ratio, which should be 4 to 1 or more, type of business, whether representing regular needs to the public, etc.

(e) Buy real value, such as earning power, no mere estimates, tips or propaganda, and also buy at reasonable prices, say ten times average net earnings per share.

(f) Buy liquid securities, thus avoiding "frozen asset" risks, such as played serious havoc among the United States banks recently.

(g) Invest in purchasing power of principal and interest. According to the United States Bureau of Labor Statistics, the $100 of 1926 was worth $148.60 in January 1932. That is, the purchasing power of the dollar vastly increased in the six year interval. Because of such cyclic changes, it is axiomatic that after-depression periods afford the greatest possible opportunities to the discriminating and courageous stock investor. One present problem is whether we are in an after or a mid-depression period now. A principle collateral to the foregoing is,—

(h) Remember that there is a time to sell as well as to buy. For example, consider selling when commodity prices seem abnormally high; when money is tightening fast; when price-earning ratios are above say 15 or 20 to 1; or when yields of dividend-paying stocks are below 3 per cent. Sell quickly too, if you find that you were mistaken in your original analysis or if conditions have changed in the meantime. Indeed long-term investing, in L. H. Sloan's mind, means holding one's stocks only so long as the situation looks hopeful in industry as a whole, in the particular business under consideration and in the stock market. This principle obviously involves some market activity even for the long-term investor.

(i) Avoid unnecessary liability such as is found, for example, in partially-paid stocks. Canada's present liability in United States exchange strikingly illustrates this danger.

(j) Practise with respect to your holdings what Fisher calls "the principle of constant scrutiny," coupled with such energetic action as is from time to time called for as a result of your scrutiny.

Various other principles might be added, but if even the foregoing standards are carefully observed, preferred and common stocks should abundantly justify their inclusion in the investment programme.

(1) The Stock Market Crash—and After p. 203.

(2) Ray Vance, "Investment Policies That Pay," p. 144.

(3) Similarly, Carl Snyder's conclusions, Royal Bank Letter June, 1931, and Babson's Charts.

(4) Common Stocks As Long Term Investments p. 79.

(5) Everyman and His Common Stocks, p. 305.

(6) "The Stock Exchange," page 149—In this connection Mr. Hirst as also E. S. Meade in "Corporation Finance," points out that in America, when a company gets into difficulties, the bondholder, although presumably legally protected, is frequently not kept secure; and Laurence H. Sloan similarly speaks of the "scandalous reorganizations arranged by insider-stockholders, contrary to the legal rights of bondholders."

(7) The Stock Market Crash and After—p. 261.

(8) He added "But....in general, one should diversify his investments among bonds, preferred and common stocks."

(9) The Stock Market Crash and After, pp. 202-3.

N.S.F. CHEQUE BILL WILL ONLY SHIFT ONUS OF PROOF

Senator Meighen Explains No New Crime Created

When the bill to amend the criminal code with reference to N. S. F. cheques came up for the third reading in the senate recently, Rt. Hon. Arthur Meighen pointed out that the only object of the new measure was to render a little more practical the proof which heretofore has had to be made. It does not provide for the creation of any new class of crime, nor widen the scope of the present law.

At present, Mr. Meighen explained, if a man swears out an information against someone else for giving him a worthless cheque and receiving goods under false pretences, when the case is called he goes to court and produces the cheque, probably calls a banker to show that the cheque is no good, and proves that the accused got the goods by means of the cheque and would not have got them otherwise; but the magistrate, says Mr. Meighen, is compelled to say to the complainant:

"'Is that all the evidence you have? It is not enough. The accused may be quite innocent of the charge. You have to prove to me that in issuing that cheque he intended to get the goods by false pretences. You have to show me that he acted in bad faith; that he had no reason to think the cheque would ever be paid.'

"The complainant in such circumstances may feel inclined to say to himself: 'How in the world am I going to prove it? That is a character of proof that is at his disposal and not at mine. Because it is at his disposal it seems to me that he should be put on his defence and made to show the court that he acted in good faith.' Now, this first clause supports the argument of the complainant. When he goes into court and produces the cheque he received and swears that for the cheque the accused got goods that he otherwise would not have obtained, a prima facie case will have been made out that the accused had no right to issue that cheque. From that point on, the evidence can better be given by the defendant.

"When that stage is reached in a case it is surely not unreasonable that the man who issued the cheque should be asked to tell why he thought it was good.

"The object of the section," Mr. Meighen concluded, "is simply the adoption of a practical way of bringing home a criminal offence. It is not desired that there should be any more prosecutions because of this bill."

INTERNAT'NAL LOAN PROFIT DECLINES

Assets Up $32,822—Exceed Paid-Up Capital by $207,000

International Loan Co., Winnipeg, for 1931 reports net profits after depreciation and taxes of $22,091, equivalent to 2.52 per cent on the present paid-up capital of $877,445, as compared with a profit of $30,921, or 3.67 per cent on a capital of $842,735 a year ago. The dividend of 3 per cent was continued.

The contingency reserve was increased by $50,000, this being transferred from surplus account, which was augmented during the year to the extent of $15,485 by the premiums on shares sold, and by another $4,000 in profits on re-sale of and forfeited shares, against which commissions and expenses were chargeable amounting to about $5,700, making a net addition of $13,779. Surplus account was therefore reduced from $143,872 to $104,461, while the contingency reserve was increased to $100,000.

Assets of the company touched a new high total of $1,084,458, made up of mortgages and clear-title agreements, $1,007,986; real estate, $66,440; and cash, $10,031. Subscribed capital now stands at $5,620,400, an increase of $40,900 during the year.

Earnings statement is as follows:

PROFIT AND LOSS ACCOUNT
Years Ended Dc. 31

	1931	1930
	$	$
Net oper. prof.*	22,091	30,921
Prem. on sale of shs., net	13,779	8,381
	38,422	39,302
Less: Divd.	25,282	23,841
Res. for cont.	50,000	50,000
	†39,412	†34,539
Prev. surplus	143,873	178,411
Carr. for'd.	104,461	143,872
Earnings and Dividend Record:		
‡Earned	2.52%	3.67%
Paid	3%	3%

*After income tax and depreciation.
†Debit.
‡Based on $877,445 paid up capital 1931, and $842,735 1930; on net oper. profit.

Economic Trust Dividend Cut

Dividend payable by Economic Investment Trust Ltd. has again been reduced with the declaration of a semi-annual payment of 75 cents payable April 1 to shareholders of record March 19. The dividend paid October 1, 1932, was 87½ cents and previous semi-annual payments were $1.25.

"Far Too Many Shares Imperial Oil Outstanding"

Victor Ross, Vice-president, Tells Parliamentary Committee That Stock Splitting Tends to Spread Ownership and Weaken Market Value—Some Financial Men Differ

Keen discussion has been awakened in investment circles by the remark made by Victor Ross, vice-president of Imperial Oil, Ltd., in the course of his evidence before the Banking and Commerce Committee which is enquiring at Ottawa into the price of gasoline, when he stated that there are far too many shares of Imperial Oil outstanding. There are about 26,500,000 shares outstanding.

Pressed for an explanation of this remark, he said, "Well, I think that in our efforts to interest the small investor we carried the split too far, and our stock is now spread all over the country in weak hands, and since the depression began those little fellows have had to sell their stock, and the cumulative effect on the market has been very bad. That is, five shares coming from Montreal and five from Ottawa and five from some place else affects the market adversely, much more than the total sum of those shares."

Splits Carried Too Far

The discussion awakened by this remark is not because financial men expect to see Imperial Oil retrace the steps already taken by making fewer shares than at present exist—as Hiram Walker-Gooderham & Worts is in the process of doing—but because it touches on the whole question of the advisability of the stock-splitting which occurred so often during the prosperous years preceding 1930. Many agree with Mr. Ross that the process was carried too far, that stock was bought by people with insufficient surplus to enable them to hold stock when any unusual demand for funds arose and that such people must sell when they need the money and that prices thus made, when stronger people are refraining from sale or purchase, often establish a price below what would ordinarily occur.

In Favor of Split

On the other hand, one executive of a company whose stock has been split, says that the company is perfectly satisfied with the policy adopted when the stock was split and that it has resulted in much wider holding of the company's stock and to the real benefit of the company's product. The new shareholders have proved admirable salesmen for the company even though unpaid, and this executive believes that the low price for his stock will be a continuing inducement for the man without great capital to become a shareholder. There are more people to sell the stock, it is true, but on the other hand there are far more potential buyers. This executive believes, however, that in special cases such as Walker's, there are real ends to be served by dividing the stock into a non-cumulative preferred stock and common stock. But he thinks the depression should not blind executives to the potential value of widely held stock for a company that sells to the general consuming public.

Employees Shareholders

The remark of Mr. Ross was occasioned by interest shown by some members of the committee as to stock dividends and stock splits made by Imperial Oil since its formation. The fact that there had been a 100 per cent stock dividend in 1915, a four for one split in 1925 and another four for one split in 1929 led to cross-examination evidently with the view of discovering whether or not this might not have a bearing on the price paid for gasoline. Mr. Ross pointed out that before the 100 per cent stock dividend was paid shareholders had paid in to the company more in premium over par value than this 100 per cent stock dividend. Undivided profits also figured. It amounted to a split in the stock of two for one. The splits of four for one had not added one iota to capital investment, the idea simply being to permit wider ownership of the stock.

Imperial Oil has from 30,000 to 40,000 shareholders of whom about 6,000 are employees.

EDMONTON DAIRY PROFIT INCREASED

Common Earned $1.14 Per Share; Despite Decline in Sales

Edmonton City Dairy had a net profit of $88,724 in 1931 after provision for depreciation, bad debts and income tax, or $11.27 per share of preferred stock. In the previous year, net profit amounted to $79,630, or $9.39 per share. Common earned $1.14 in 1931 against 79 cents in 1930. Selling prices of commodities handled declined and the total sales for 1931 dropped to $763,511 from $952,645 in 1930. Preferred dividends of 6½ per cent were paid during 1931 and amounted to $74,346. During 1931, 608 shares of preferred stock was redeemed.

Current assets total $539,979 as against current liabilities of $36,278. Included in current assets is $341,469 in interest due; $133,039 in accounts receivable and $60,858 in merchandise and supplies. Merchandise is some $38,000 less than in 1930 and interest has increased by some $24,000. Cash is down to $4,613 from $6,064.

Plant and equipment are carried at $319,287 and buildings and lands are carried at $374,645. Included in liabilities are reserves for bad debts, depreciation, and income tax amounting to $108,627, which compares with $94,812 in 1930. Reserve for preferred dividends payable is $13,513. Preferred stock outstanding has been reduced to $787,000 from $847,800. There remains 30,000 shares of no par value common stock outstanding which is valued at $289,895 as against $255,517 in 1930.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1931	1930
	$	$
Net profit	88,724	79,630
Less: Pref. divds.	54,346	55,847
Add: Transfer to contingent res.	....	6,500
Surplus for year	34,378	30,283
Add: Prev. surplus	255,517	....
Com. shares paid in	....	256,628
Less: Loss on sale of Woodland Dairy	....	79,941
Com. stock & surplus	289,895	255,517

Great West Saddlery Shows Smaller Loss

Great West Saddlery Co. had an operating loss of $26,769 in the six months ended December 31, 1931, after making regular provision for all charges including bond interest, depreciation, and reserve for bad and doubtful accounts, according to a letter sent to shareholders. In the corresponding period of 1930 the company had an operating loss of $136,190. Improvement is stated to be due to operating economies.

Actual sales were lower in the last six months of 1931 than in the same period in 1930 due to merchandising conditions in the prairie provinces. The credit and collection situation in the west causes officials to view the remaining months of the current fiscal year with conservatism. Until conditions basically change it will be difficult for the company to operate at a profit. Liquid position of the company has been maintained with a ratio of current assets to current liabilities of 6 to 1.

Asbestos Output Shows Decline in January

From Our Own Correspondent

MONTREAL.—Production of asbestos in January was 10,190 tons compared with 12,901 tons in the same month in 1931 and 10,523 tons in December, 1931. Price quotations have shown little variation, with crude No. 1 quoted at $400 a ton and crude No. 2 at $200 a ton.

Asbestos exports in January amounted to 9,681 tons, a decline of 27.7 per cent from the total of the previous month when exports amounted to 13,395 tons. Imports of asbestos packing, brake and clutch lining, etc., into Canada during January were valued at $29,614.

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Manufacturers in Canada now have practically exclusive control of the whole Canadian market.

The Simpson Store will celebrate its Diamond Jubilee in April. Here is an opportunity for Canada's manufacturers to speed up their wheels and re-engage several thousand employees now idle.

Business has been slow since Christmas, but now the days of Spring are upon us and Simpson's Diamond Jubilee is to be celebrated. Canadian Manufacturers, we believe, will welcome this opportunity to join with us in giving the Consumers in Canada more for their money than for years.

Our stocks are low, and our buyers are ready to buy. Will you, Mr. Manufacturer, share in this extra million we have to spend within the next thirty days?

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Utilities and Transportation

ASK LOWER OFFER WINNIPEG ELECTRIC FOR SALE TO CITY

Granted $25,000,000 Too High, Critics Demand Negotiations Continue

From Our Own Correspondent

WINNIPEG. — Although the transportation committee of the City Council has recommended that negotiations be dropped with the Winnipeg Electric on the basis of the offer submitted by that company for the sale of its utilities in the city for $25,000,000, some aldermen favor continuing discussions with the company, with the idea that the latter might submit some new basis for negotiations.

When the offer was made some weeks ago by the president of the Winnipeg Electric, it was referred to a committee of civic officials, consisting both of treasury representatives and heads of the City Hydro System. Their recommendation was adverse, both on the grounds that the suggested price was altogether too high, and that conditions committing the city to purchasing power from the power producing subsidiaries of the Winnipeg Electric and giving them a proportionate share in any growth of business, should not be entertained. At the same time suggestions were made that, if the price basis were to be examined seriously, it would be necessary to appropriate $10,000 for a study of the finances of the system.

Should Ask New Price

In civic circles it is pointed out that there is no desire, except on the part of a few enthusiasts for public ownership, to acquire the street railway system. But Hydro officials, and members of the council closely connected with the Hydro are deeply concerned over features of the competition that now exist in electric distribution within the city. There is a feeling that sooner or later some arrangement both to reduce expense and to obviate reckless rate cutting will have to be reached. In some quarters there is undoubtedly a feeling that a continuation of the present situation for some time longer will make the company more anxious to negotiate and may mean the possibility of a more favorable arrangement for the city than could otherwise be obtained. But there also exists a fear that the city's own bargaining position might be impaired through the lapse of time.

The Winnipeg Tribune comes out with a castigation of the Transportation Committee for not proceeding with the task which was entrusted to it. It criticizes the committee for neglect of duty in not ascertaining at what price the properties of the company could be obtained and might properly be valued, taking for granted that the named price of $25,000,000 was both too high and would have been subject to reduction.

Power Demand Lower

In the meantime it is announced that the Seven Sisters power plant, operated through the subsidiary Northwestern Power Company, is to be shut down at the end of the month. The closing of the Manitoba Paper Company's plant at Pine Falls is depriving this plant of its principal customer, and the Pinawa plant of the parent company and the Great Falls plant of the subsidiary Manitoba Power Co. are able to take care of current power needs.

Possibility of the paper company's plant reopening at the end of the year was suggested by a representative of the Abitibi interests who appeared before the Manitoba Government in connection with a projected bill to be passed at this session of the legislature to permit the exportation from the province of pulp wood cut by settlers. The understanding was reached that the permission to be given would be effective only during the time the paper plant is closed. At the end of that time it could be withdrawn by order in council, and upon this understanding no opposition was offered by the Abitibi interests.

B. C. Power Corp. Earns Dividends in 8 Months

From Our Own Correspondent

MONTREAL.—Earnings of British Columbia Power Corp. in the first eight months of its current fiscal year to February 29, 1932, were sufficient to cover interest charges and dividends paid in the period. Common share earnings in the eight months period were $1.52 compared with disbursements of $1.32 a share on the "A" stock.

In the eight months ended February 29, net earnings, after depreciation, were $3,185,193 compared with $3,526,258 in the same period of the previous year. Interest charges and preferred dividends were lower by $20,000 at $1,666,113, leaving a balance available for the common stock of $1,519,080. In the same period in the previous year balance was $1,840,138 or the equivalent of $1.84 a share on the common stock.

In the month of February, gross earnings showed a reduction of $40,000 at $1,175,864. Operating expenses, however, were cut by $27,000 to $746,754 leaving net earnings of $429,110 compared with $442,514. Interest and preferred dividends were $208,264, leaving a balance available for the common of $220,846.

B. Hal Brown Again Heads Prudential Trust, Montreal

B. Hal Brown was unanimously re-elected president of Prudential Trust Co. at a meeting held following the annual meeting and Paul Galibert and H. N. Chauvin, K.C., were elected vice-presidents.

At the meeting there were present and represented by proxy holders, 12,832 shares, of which 9,175 were in favor of B. Hal Brown and his associates and 3,647 in favor of Gen. G. Eric McCuaig and his associates.

The following were elected directors: B. Hal Brown, Gen. McCuaig, Paul Galibert, Ralph Locke, H. N. Chauvin, Hon. F. Carrel, G. G. Hyde, K.C.; Philip F. Locke and G. H. Cook.

Beef Exports Bulk Large

Over 100,000,000 pounds of beef were exported from Alberta during the season of 1931. The number of head of cattle of all classes exported was 105,000. Alberta beef is marketed largely in the coast province and in Eastern Canada at present, and during the past year, with the development of the overseas market, some 7,500 or 8,000 head went to that market.

Dominion Glass Unit In Montreal Idle

From Our Own Correspondent

MONTREAL.—Recent reports that plants of Dominion Glass Co. are working on full time are misleading. It is true that the company's Hamilton unit is operating at capacity but the plant at Point St. Charles is closed down.

This procedure has been adopted owing to the reduced demand for the company's products. Activity is divided between these two units at the present time; one of the plants is closed while the other operates full.

In the year ended September 30, 1931, when common share profits were $4.53 compared with $7.64 in the previous years dividends have been reduced from $7 to a basis of $5.

C. N. R. ACHIEVES SEVERAL RECORDS IN 1931 ACTIVITY

Freight Train Performance Improves Despite Drop in Traffic

From Our Own Correspondent

MONTREAL.—Several new records were established by the Canadian National Railways in its operations last year, according to S. J. Hungerford, vice-president in charge of operation. The Atlantic region set a new record in gross train load; Western region a new record in net train load; and the system average gross train load was heavier than all previous years with the exception of 1928. Each region established new records in train speeds and gross ton miles per train hour. Earnings were the lowest to be experienced since the System came into existence.

Reduction of maintenance expenditures are revealed. In 1931 the amount spent on maintenance of way and structures was $34,796,000 compared with $39,777,567 in 1930. Maintenance of equipment cost $38,260,000 compared with $43,091,329 in 1930 and transportation expenses were $81,985,000, a reduction of $14,120,000 from the previous year. All these were new low figures, for 1931.

Freight Ton Miles Gain

Density of freight traffic on Canadian National Lines last year was 40 per cent less than the average daily in 1928 and 15 per cent below 1930, but despite this fact, gross ton miles per train hour increased over that year by 15 per cent over 1928 and the fuel performance was improved.

Total revenue car loading, including receipts and connections, averaged 5,704 daily for the year 1931 against 7,135 for 1930, and 8,518 for 1929. Following is an analysis of car loadings for the past two years:

	1931	1930
Grain & grain products	182,033	188,566
Livestock	40,182	44,089
Coal	65,089	83,851
Coke	13,739	12,756
Lumber	58,850	64,426
Pulpwood	44,743	78,507
Pulp and paper	51,377	61,267
Other forest products	47,628	68,547
Ore	10,072	18,484
Merchandise L.C.L.	438,485	509,326
Miscellaneous	346,110	414,374
	1,298,308	1,564,193

Greater Efficiency Effected

Illustrating the effort toward increased efficiency of operation, the index for gross ton mileage in 1931 fell 35 per cent below the year 1928, but the average gross train load dropped only one point or 1 per cent. On the other hand, train speed increased 16 per cent and gross ton miles per train hour increased 15 per cent. Fuel consumption in 1931 showed a 5 per cent reduction per 1,000 gross ton mile, compared with 1930 and 1928.

Passenger train performance has shown improvement over the last four years, and index numbers representing "on-time" performance of principal passenger trains stood at 114 for 1931, compared with 111 in 1930, 104 in 1929, and 100 in 1928. Passenger train miles in 1931 were reduced 13 per cent compared with 1930, and passenger train car miles decreased 15 per cent.

The number of passenger cars per passenger train averaged 6.6 last year, against 6.8 in 1930, and 6.9 in 1929. Passenger train fuel consumption was reduced 3 per cent per locomotive mile in 1931, as compared with 1928, but the decreased number of cars per train resulted in an increase of 8 per cent in fuel consumption per car mile.

HYDRO SECURITIES DECLARES DIVIDEND

Resumes Payment With Distribution of 10 Cents a Share

From Our Own Correspondent

MONTREAL.—After passing common dividends for the final quarter of 1931 directors of Hydro-Electric Securities Corp. have declared a dividend of 10 cents a share on the common stock for the first quarter of the current year. The dividend is payable March 31 to shareholders of record March 18.

The last payment to be made on the common was in September, 1931, when a disbursement of 30 cents a share was made. In December it was announced that no action would be taken for the last quarter of 1931 though earnings had been sufficient to allow a distribution of 25 cents a share. There are outstanding 1,476,393 shares of no par value common.

Statement Available Soon

Financial statement of Hydro-Electric Securities will be available in April. This is later than usual but publication has been delayed owing to changes effected in the corporate structure. These were only approved by shareholders on January 9, 1932.

Capital reduction includes a total writing-off of $36,746,895. Of this $26,808,895 has been written off common share capital to provide for depreciation in market value of the company's assets; the balance represents the cancellation of a par sum of class "B" preferred stock.

U. S. POWER SITES OF INTERNATIONAL ARE TURNED OVER

Properties Transferred to New Subsidiaries of International Hydro

From Our Own Correspondent

MONTREAL. — An important step in the segregation of International Paper Co.'s power and utility operations from its pulp and paper activities is seen in the announcement that International Hydro-Electric System has purchased the bulk of the water power properties in the United States owned or controlled by International Paper Co. including the powers on the Hudson River. The properties involved have a total potential capacity of 450,000 h.p. of which 130,000 h.p. is developed, over half in hydro-electric plants and the balance in hydraulic plants.

The purchase price was $31,700,000. The properties, or in some cases securities of the companies owning the properties, have been transferred to International Hydro-Electric Corp. and Systems Properties Inc., the newly acquired, and wholly owned subsidiaries of International Hydro-Electric System. Transfer was made as of December 31, 1931.

Assume Senior Obligations

About 80 per cent of the properties are subject to the first and refunding mortgage of International Paper Co. These properties were transferred to International Hydro-Electric Corp., subject to this mortgage, and as part payment of the purchase price International Hydro Corp. has assumed principal and interest on the $16,460,000 five per cent bonds of this issue outstanding. Similarly, System Properties has assumed a $535,000 six per cent refunding mortgage gold bonds of Ticonderoga Pulp and Paper Co.

Payment of the balance of the purchase price involves no new financing since the System had the required funds available, largely from the sale of class "A" stock in September, 1929, and as a result of the issuance of preferred stock in 1930. These funds had been advanced to International Paper and Power Co. pending completion of the present transaction.

Properties Are Self Supporting

Acquisition of these properties increases the installed hydro-electric generating capacity of International Hydro-Electric System to 1,248,000 h.p. The properties, it is stated, carry with them sufficient revenue from the powers already developed to make them immediately self-supporting and to produce some additional net earnings for dividends on the stocks of the system. The Hudson Rivers powers, concentrated in five sites above Albany, are the most important of the entire group.

International Paper Co. retains a substantial interest in the power properties through its holdings in International Hydro-Electric System, which comprise all the latter's class "B" stock, and 30 per cent of its common stock. The remaining 70 per cent of the common stock is owned by International Paper and Power Co.

DOM. FOUNDRIES PROFIT HIGHER PAID OFF LOANS

Prospects For 1932 Confined to Bare Needs; Cash Improved

Net earnings of Dominion Foundries & Steel Limited increased to $400,435 in 1931 from $321,386 in 1930 and after provision for depreciation increased to $250,000, bond interest and reserve for taxes, the company showed a net profit of $123,653 against $90,499 in 1930. After providing for full year's dividend on the 8 per cent cumulative preferred stock, the 29,981 shares of $100 par value common stock earned $1.81 per share as against $1.03 per share in 1930.

Directors are following the policy of diversification of output at a minimum of expense for cost of the necessary equipment. The plate mill is stated to have a proved asset and earning value under restricted operations. New business is stated to have been scarce during the first quarter of 1932 and the demand for steel during the year is believed to be limited to unavoidable purchases.

The income and surplus accounts of the company in 1931 and 1930 compare as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1931 $	1930 $
Net earnings	400,435	321,386
Less: Depreciation	250,000	210,000
Int. paid & accr. includ. bond int.	13,282	15,887
Reserve for taxes	13,500	5,000
Net profit	123,653	90,499
Less appropriations:		
Bond disc. & exp. w/o	11,750	2,000
Preferred dividends	43,194	43,194
Surplus for year	68,709	45,305
Add: Prev. surplus	719,098	673,793
Bal. carried forward	787,807	719,098

Bank loans amounting to $224,566 in 1930 have been wiped out, thereby reducing current liabilities to $127,102 from $550,161. Current assets are down to $545,421 from $687,879, largely due to decrease in inventory, while cash is up to $76,627 from $957. The company has reduced accounts payable to $80,958 from $267,764. Investment in land, buildings, plants and equipment has been increased by some $50,000 to $5,141,573, before deduction of depreciation reserve which totals $1,986,091 as against $1,736,091 in 1930. Investment in Adirondack Steel Foundries remains unchanged at $236,492. Goodwill and patents are carried at $1,065,889. Funded debt remains unchanged at $111,000 and reserve fund at $257,581.

During 1931 the company paid preferred dividends at the rate of 6 per cent per year and at the end of 1931 arrears of dividends on 8 per cent preferred stock amounted to 70½ per cent.

Gain in N. S. Incorporations

In the year 1931, 141 new companies were incorporated in Nova Scotia, according to a report of the provincial treasurer, Hon. J. F. Fraser. These include nine under the Farmers' Co-operative Securities Act. In the previous year 129 companies received charters.

LOAN TO CHINA FOR WHEAT SALE IS DEAD ISSUE

Proposal of Year Ago No Longer is Heard of

From Our Own Correspondent

OTTAWA.—So far as the Canadian government is concerned the proposition to extend to China a large loan in silver to be taken out in Canadian wheat has definitely and completely fallen through. Mr. Stevens, it may be recalled, referred to a proposal of this kind more than one year ago.

At that time the Canadian government was quite interested in the prospect of such a loan. It is understood, here, that the driving force behind it came from the United States, and the intention was that the United States also should go into the deal—that there should be a joint loan in the form of silver and that this silver should be used to pay for wheat.

There were, however, backers in this country as well, chiefly from the silver operators of British Columbia. In the United States, the pressure behind the proposal came from Nevada, found utterance through Senators Pitman and King. So strong was the movement across the line that a sub-committee of the Senate committee on commerce held an enquiry, took evidence which, later, was presented to Congress. Indeed at least one Senator went to China to discuss the proposal with the Nanking government.

Nothing has ever come of the negotiations for two good reasons. In the first place the Chinese government has never approved of such a loan, never asked for one, never intimated that it would be accepted if offered. In the second, neither the Canadian or the United States governments could be persuaded that the proposal was a sound one.

As far as Canada is concerned the proposal is now dead, but it is revived, occasionally, in the States.

ADMINISTRATION TRUST MAINTAINS 1931 EARNINGS

Profits Equal to 15.5 Per Cent on Paid-up Capital

From Our Own Correspondent

MONTREAL. — Net profits of Administration and Trust Co. in 1931, after provision for expenses, taxes, income tax and advertising, amounted to $77,601, or 15.5 per cent on paid-up capital, compared with $77,744 in the previous year. After deduction of dividends at the rate of 8 per cent, write-off for depreciation and an additional provision of $20,000 for depreciation in stock and mortgages, there remained a surplus for the year of $15,351, against $37,247 in 1930. Balance brought forward into the current year is $214,344.

In capital account, a noteworthy change is reduction in call loans from $202,167 to $133,670. Loans and mortgages are higher by $69,000 at $496,798 and values of stocks and bonds are shown as practically unchanged at $73,429. Cash at $25,491 is lower by $13,000.

Agencies Account Maintained

Guaranteed funds are down $9,000 at $162,600, while funds unguaranteed total $469,487. Estate, trust and agencies are higher by $150,000 at $28,156,130.

In liabilities, paid-up capital is unchanged at $500,000. Accounts payable are down $8,000 at $33,421 and reserves have been increased by $2,000 to $199,412. Total assets have increased by $644,387 to $30,306,612.

Profit and Loss Figures

Following is a comparison of profit and loss for the past two years:

	1931	1930
Net profit	77,601	77,744
Less:		
Depreciation	2,250	2,250
Dividends	40,000	38,247
Security dep.	20,000	......
Surplus for year	15,351	37,247
Add: Prev. surplus	198,993	161,746
Bal. forward	214,344	198,993

COLLINGWOOD TERM. NET PROFIT LOWER

Earned 71 Cents a Share on Preferred Stock; Working Capital Up

Net operating profit of Collingwood Terminals Ltd. during 1931 of $70,556 compares with $82,409 in 1930. After deductions for depreciation, taxes and amortization of discount, the company earned 71 cents per share on the 2,659 shares of preferred stock outstanding as against $2.13 per share in 1930. Only one quarterly dividend of 1¾ per cent was paid on $100 par value preferred stock in 1931 and this was not earned during the year. Dividend payment was resumed with the dividend of 1¾ per cent paid on February 27, 1932.

Working capital has shown substantial improvement during 1931, with current assets down to $99,982 from $103,467 and current liabilities reduced to $38,024 from $76,826. Ratio of current assets to current liabilities, stood at 2.63 to 1 at December 31, 1931 as against 1.35 to 1 the year before. Cash is higher at $8,044, government securities at cost are up to $24,416 from $2,675 and accounts receivable down to $67,522 from $94,620. Bank loans were reduced by $8,000 during the year and the remaining $7,000 has since been paid off. Accounts and notes payable have increased to $30,802 from $19,476, while current liabilities amounting to $41,840 in 1930 have been paid off.

Fixed assets, including property and office furniture, are shown at $909,702, with $1,019,706 in 1930. The liability owing to the town of Collingwood depreciated value, compared was reduced to $707,306 from $774,796. Capital surplus of $65,000 shown in 1930, is not shown in 1931, but earned surplus is up to $8,881 from $1,152. There remains outstanding 8,669 shares of $100 par value preferred stock and 25,000 shares of common stock.

The surplus accounts for 1931 and 1930 compares as follows:

INCOME AND SURPLUS ACCOUNT
Years End. Dec. 31

	1931 $	1930 $	1929 $
Oper. revenue	112,484	130,055	63,527
Less: Oper exp.	41,928	47,646	24,172
Net oper. prof.	70,556	82,409	39,355
Less: Int., etc.	39,862	45,770	9,355
Depreciation	27,000	29,863	20,000
Taxes	150	829	640
Claims adj.	.....	275	.....
Amort. deb. disc.	1,642	.....	.....
Net profit	1,902	5,672	9,360
Less: Pref. divs.	4,631	10,690	8,365
Surp. for year	*2,729	*5,018	995
Add: Prev. surp.	1,152	915	.....
Deprec. adj.	10,458	5,175	.....
Balance for.	8,881	1,152	995

*Deficit.

Public Utility Earnings

Southern Canada Power

February:	1932 $	1931 $	Decrease $
Gross earn.	187,758	197,105	9,347
Oper. exp.	65,774	81,144	15,370
Net earn.	121,984	115,961	*6,023
5 Months:			
Gross earn.	986,290	1,030,083	43,793
Oper. exp.	355,140	393,783	38,643
Net earn.	631,150	636,300	5,150

*Increase.

Brazilian Traction

February:	1932 $	1931 $	Decrease $
Gross earn.	2,420,300	3,104,495	684,195
Oper. exp.	1,074,268	1,276,846	202,578
Net earn.	1,346,032	1,827,649	481,617
Aggre. gross from Jan. 1	4,827,302	6,504,330	1,667,028
Aggre. net from Jan. 1	4,827,302	6,504,330	1,677,028

The decline in exchange again accounts in very large measure for the decrease in net earnings in comparison with February, 1931.

Railways Cut Goodly Sums Off Expenses

From Our Own Correspondent

MONTREAL.—Operating figures of the Canadian Pacific and the Canadian National Railways for 1931 afford an interesting comparison of individual ability to cut working expenses. Gross revenue fell off steadily during the year; at the close of 1931 both roads had sustained a decline of about 20 per cent from the 1930 figures.

In face of this reduction the C. P. R. was able to maintain an operating ratio of 82 per cent as compared with 79 per cent in the previous year. Operating ratio of the C. N. R., on the other hand, jumped from 88 per cent in 1930 to 95 per cent last year.

Expenses Are Cut

Canadian Pacific Railway operating expenses were reduced by 18 per cent from those of 1930; the Canadian National cut its working costs by 13 per cent. The reflection in net earnings, however, is more clear: C. P. R. net was down 33 per cent from 1930 while C. N. R. net earnings dropped 71 per cent from those of the previous year.

Canadian National figures do not include lines east of Levis and Diamond Junction which are operated under the provisions of the Maritime Freight Rates Act.

Following are operating figures and percentages in tabular form:

	1931	1930	Decr.
C.P.R.:			
Gross earn.	$142,377,648	$180,900,804	21%
Oper. exp.	116,654,776	142,652,146	18%
	25,682,872	38,248,658	33%
Oper. ratio	82%	79%	....
C.N.R.:			
Gross earn.	177,273,700	221,770,445	20%
Oper. exp.	169,688,000	199,259,507	13%
	7,585,700	26,510,938	71%
Oper. ratio	95%	88%	....

Toronto Customs Returns Increase

A substantial increase in customs returns at the Port of Toronto for February, 1932, as compared with February of last year, has been announced by the Collector of Customs. Gross receipts last month amounted to $3,302,896, an increase of $166,207 over those for February last year, which were $3,136,689.

GREAT LAKES PAPER OPERATING PROFIT

Working at 35 p.c. of Capacity; Adjustments Still Pending

Great Lakes Paper Co. has shown an operating profit, before provision for bond interest and depreciation, since July 13, 1931, when it was placed in the hands of National Trust Co. as receiver and manager. This operating result is subject to adjustment with the Minnesota & Ontario Paper Co. with respect to proprietary ownership of tonnage and the commission to be allowed to the receivers of the Minnesota & Ontario Co. Adjustment, it is understood, may be favorable to the bondholders.

Bondholders have been advised by the Bondholders Protective Committee that there has been no marked change in the operations of the company and that the granting of a receiving order in bankruptcy against the company and the appointment of a custodian in no way prejudices the holders of the first mortgage bonds. The appointment of a custodian or liquidator does not affect the possession and operation of the property covered by the bond mortgage and the National Trust Co., as receiver and manager, will continue to manage the property in the interests of bondholders. By the appointment of F. C. Clarkson as custodian, interests of the unsecured creditors and equity holders will be centred in one individual. The status of first mortgage bondholders remains unchanged. As at March 16, more than 65 per cent of the outstanding bonds have been deposited with the committee.

The company now is being operated at approximately 35 per cent of capacity on tonnage allocated by Minnesota & Ontario Paper Co. under an agreement which continues until July 18, 1932. In a letter sent to bondholders on December 28, 1931, it was stated that until a definite determination was made regarding adjustment made on agreement in regard to proprietary ownership of the tonnage involved and in regard to the commission to be allowed to the receivers of Minnesota & Ontario Paper Co. it was impracticable to provide any definite figures as to results of operations. It is understood that, when these negotiations have been completed, a financial statement will be issued.

Southern Canada Power February Net Increased

From Our Own Correspondent

MONTREAL.—Though gross earnings of Southern Canada Power Co. in February 1932 were lower than those of the same month last year by $9,347, reduction in operating expenses more than offset this decline and net earnings gained $6,023 at $121,984.

For the first five months of the company's fiscal year ended with February, gross earnings were down $43,793 at $986,290. Operating expenses were considerably reduced, but not sufficiently to offset the drop in growth and net earnings for the five months were down $5,150 at $631,150.

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Price: 100 and interest, yielding 6%
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Insurance in Force ... 51,355,671

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News of Investment Markets

TORONTO ISSUE IS QUICKLY SOLD AND WELL PLACED

More Municipal Offerings May be Made in Near Future

MARKET BETTER

Demand for Corporation Issues is Not Keen — Toronto Gets Good Price

With the Toronto issue of $15,299,000 5½ per cent 30-year serial issue well placed on a 5.70 and 5.75 per cent yield basis the Easter holidays bring a temporary pause in the offering of new bond issues. This pause may definitely mark the change from a period of provincial and large municipal financing to one that is largely devoted to filling the needs of the smaller municipalities which have had to refrain from offering their bonds while the more important provincial requirements were met.

Manitoba and Nova Scotia are the only provinces yet to offer bonds if Quebec is definitely out of the market. Manitoba needs the money and may be expected to make an issue in the near future. The larger cities such as Ottawa and Saint John, N.B. have financing to do while many of the smaller municipalities have a pressing need. When these municipalities come into the market investors will be able to secure sound bonds at attractive prices but in recent months this type of security has been overshadowed by the provincial issues.

Corporation Bonds Sell Slowly

The reception accorded the offering of $12,500,000 convertible 10-year 6 per cent notes of the Canadian Pacific Railway Co. in the past week and the $6,000,000 Shawinigan Water & Power Co. 6's of 1937 offered in February has not been particularly enthusiastic. While provincial and municipal debentures have been sold quickly the corporation securities offered have moved out slowly. In investment circles it is believed that investors are not yet ready to invest to any extent in corporation bonds and prefer the security of provincial or high-grade municipal bonds.

The Toronto issue sold at the best price of any provincial or municipal issue to be offered in recent months. The New Brunswick offering of $5,062,000 5½'s of 1952 was made on a 5.75 per cent basis early in January but sold slowly. The price obtained for the Toronto's is an indication not only of the regard in which the city's bonds are held but of improvement in the bond market. Ontario bonds sold late in January on a 5.90 and 6 per cent basis and the bonds of that province naturally rate somewhat higher than the debentures of its capital city.

GOVERNMENT COSTS INCREASED IN 1930

Provinces Operated at $16.67 Per Capita; $14.92 in 1929

Average cost of provincial government increased in 1930 to $16.67 per capita from $14.92 per capita in 1929 and $10.05 in 1922, according to figures recently issued by the Citizens' Research Institute of Canada. Increased expenditures on debt charges have been one of the main causes of rising provincial costs. This increase has come from the result of heavy borrowings for capital works and funding of provincial deficits. Quebec is the only province to reduce its debt charges.

Educational expenditures remain one of the larger items in provincial budgets and expenditures on public welfare activities have been another cause of increase and are becoming one of the heaviest items in the provincial budget. Improvement, extension and up-keep of highways have increased although revenue from motor vehicle licenses and gasoline tax has also expanded to even a greater rate than has highway expenditure.

All of the provinces but Quebec showed a deficit in the last fiscal year. In each case, there was an increase in net expenditure from local revenue on a per capita basis while in four of the provinces, British Columbia, Alberta, Saskatchewan, and Manitoba, net revenues from local sources decreased.

British Columbia has the highest expenditure per capita and revenue, amounting to $41.97 and $34.84 respectively in the year ended March 31, 1931. The lowest per capita figures were those of Prince Edward Island which had net revenue per capita of $7.10 and net expenditure of $7.47 for the year ended December 31, 1930. Ontario had $15.37 net revenue per capita but slightly higher than the $15.13 given for Quebec but net expenditure in Ontario was $16.63 against $13.64 in Quebec.

Expenditures per capita for other provinces were: $19.22 in Alberta; $15.30 in Saskatchewan; $14.26 in Manitoba; $14.48 in New Brunswick and $12.33 in Nova Scotia. Net revenues per capita were as follows: Alberta, $15.98; Saskatchewan, $11.04; Manitoba, $13.01; New Brunswick, $12.92 and Nova Scotia, $11.39.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Cascade Water Power	4½%	1940	†May 1	100
Mt. Royal Tunnel & Term.	*5%	1970	Apr. 15	100
Wabasso Cotton	§6%	1947	June 1	105

†Or before.
*Called in part.
§$10,000.

MUNICIPAL ACT GIVES ONTARIO WIDER POWERS

Can Take Over Control of Weak Municipal Situations

Ontario's new Municipal Board Act, now before the legislature, revises and consolidates previous acts and also includes new powers of jurisdiction over municipalities. Under the act the new Ontario Municipal Board supersedes the Ontario Railway & Municipal Board.

One of the new provisions is the granting of general municipal jurisdiction including approval of issuance of debentures in whole or in part. Application for such approval is to be voluntary on the part of the municipality but such an approval would attest the soundness of the debenture issue. The government seeks to increase the usefulness of the board to municipalities so that at any time it may be consulted for advice on municipal problems relating to finance.

Can Act on Defaults

The new board will have special jurisdiction over defaulting municipalities. Previously the province had no authority in such cases. The board may act upon a request from the municipality or on request of not less than 20 per cent of creditors of the municipality where there has been default in meeting liabilities or where default appears probable. In such cases control over municipal administration is placed with a committee of five supervisors of whom two are appointed by the municipality, two by creditors and one is an appointee of the board. The committee of supervisors has full power to act and may call a moratorium on debts owing by the municipality. The new board has power to authorize any reorganization of municipal debt in case of default.

The supervisors acting in the case of a default by a municipality are given power to effect a compromise of tax arrears either in the amount or extension of time of payment. One of the principal causes of municipal default is the large amount of apparently uncollectable taxes on vacant lands. In other provinces, where the right to compromise is provided, it is stated that a large sum has been collected through compromise which otherwise could not have been collected.

Powers of the board over railways and public utilities follow closely the powers provided under previous acts. The board will be composed of three members.

INVESTMENT CORP. REDEEMS HALF OF BOND ISSUE

Consolidated Investment Has Sharp Drop in Portfolio

From Our Own Correspondent

MONTREAL. — Purchase and cancellation of half its outstanding bonds and a sharp depreciation in market valuation of securities held are features of the financial statement of Consolidated Investment Corp. of Canada for 1931. During the year $7,839,000 of 4½ per cent collateral trust bonds were redeemed and cancelled out of an issue of $15,000,000. Discount on the bonds so cancelled together with investment reserve were carried into the balance sheet as a deduction from cost of securities owned.

Investments at cost are carried, on this basis, at $26,981,143 compared with $34,057,515 in 1930. Market quotations at the close of the year totalled $12,208,584.

Loss on Security Sales

During the year it was deemed advisable to make certain changes in investment holdings, the net losses therefrom were charged against investment reserve which totalled $343,432 at the end of the year. At the end of 1930 it totalled $1,212,802; a loss of $869,370 is indicated.

Exclusive of losses or profits on sales, revenue for the year totalled $1,203,908, compared with $1,364,749 in the previous year. After deduction of all expenses, net revenue was $274,337, sufficient to cover one quarterly dividend paid on the preferred stock totalling $125,000. In the previous year, revenue covered full preferred dividends by a surplus of $31,427.

Income Account Figures

Following is a comparison of profit and loss for the past two years:

	1931 $	1930 $
Income from invest.	*1,193,767	1,364,749
Stock divds. sold	10,141	......
Total income	1,203,908	1,364,749
Less: Bond interest	*675,000	675,000
Int. on loans	184,252	67,435
U. S. exchange	2,302	1,875
Taxes	15,590	20,916
Management exp.	33,070	39,071
Transfer fees	12,150	12,707
Misc. exp.	7,207	3,840
Income tax	......	12,288
Depreciation	......	1,190
Net revenue	274,337	531,427
Preferred divds.	125,000	500,000
Surplus	149,337	31,427
Prev. surplus	78,183	46,757
Balance forward	227,520	78,184

*Includes interest of $123,835 on bonds purchased and cancelled December 31, 1931.

Cash Drops Sharply

In the balance sheet cash is down $307,000 at $42,684; cash deposited with the trustee totals $278,268 and an item of call loans amounting to $1,827,859 shown in the 1930 report is eliminated. Accounts receivable in respect of syndicate accounts are $51,040 and interest accrued on bonds totals $98,742 against $148,249 in the previous year.

In liabilities accrued bond interest is down $133,000 at $120,841 reflecting redemption of bonds and a collateral bank loan of $2,943,022, payable in N. Y. funds compares with a bank loan of $3,000,000 in 1930.

Redeems Block of Bonds

Bonds outstanding now total $7,161,000 compared with $15,000,000 and 1,375,000 common shares of no par value are carried at $7,000,000. Of the 88,805 unissued common shares reserved under purchase rights for bond and preferred shareholders, 39,195 shares have been freed from reserve and 78,390 fully paid shares which were held by the Montreal Trust Co. for holders of these free stock warrants are now available for cancellation following as a result of bond redemptions.

An analysis of the corporations portfolio shows 20.88 per cent invested in bonds; 20.10 per cent in preferred stocks, and 57.78 in common stocks.

MANITOBA TAXES TO BE INCREASED, CUTTING EXPENSES

Make Drastic Increases to Meet Expenditures of $13,692,044

From Our Own Correspondent

WINNIPEG.—Through drastic imposition of new taxation, coupled with economies in departmental expenditure, Premier Bracken presented a balanced budget on March 21. The budget provides for expenditures of $13,692,044 for the fiscal year commencing May 1. The provincial income tax is to be increased by several means. There is an all-over increase of rate of ½ of 1 per cent, and exemptions are reduced to $750 for unmarried persons and $1,500 for married persons. Allowance for children is decreased from $500 to $300 each, and no longer is there to be exemption with respect to life insurance premiums, or amounts paid in dominion income tax. This last while inconsiderable in the case of persons with small incomes, would make a large difference in the case of very large incomes.

There is to be a special tax for relief purposes on cigarettes, tobacco and liquors, rates have not been announced, but 3 cents on a 25-cent package is believed to be contemplated. The gasoline tax is increased from 5 to 6 cents with exemptions to farmers decreased from 5 to 3 cents. The tax on insurance companies is to be increased from 2 to 3 per cent on gross incomes. Bank taxes are to be increased from $2,400 for each bank to $5,000, with the tax on branches increased to $500 each, instead of the old rates varying from $100 to $300 in accordance with the number of branches. The income tax on corporations not separately taxed under the corporations tax act is to be raised from 2 to 5 per cent.

The fact that the taxation provided by the budget rests mainly upon the city is emphasized by the repeal of taxes on land for child welfare and soldiers taxation relief which last year totalled $415,000.

Deficit is $3,000,000

For the year ending April 30, 1932, the premier estimated that the deficit would be approximately $3,000,000 to be balanced by appropriations from the special natural resources fund which was received from the Dominion Government. This was due to a decline in revenue estimated at $2,000,000 and heavy expenditures upon relief.

The grant to the University of Manitoba has been cut by $100,000 and for secondary education $56,000, while expenditures on primary education remain unchanged.

Charges for the public debt have increased nearly three-quarters of a million to $5,750,519. Part of this is due to premiums to be paid on New York Exchange which the premier estimated would cost the province $250,000 during the coming year. Reductions in civil service salaries for the year are expected to amount to $350,000. Reduction in members indemnities from $2,000 to $1,800 will save $11,000.

QUALITY CANNERS ABSORBS ASSETS OF SUBSIDIARY

Shareholders Approve Merger With Spring Valley Canners

From Our Own Correspondent

MONTREAL.—Shareholders of Associated Quality Canners, subsidiary of the Whittall Can Co., have approved the absorption of Spring Valley Canners, another subsidiary of Whittall and have also approved a by-law authorizing their company to issue bonds to the amount of $2,000,000.

Details of the plan whereby Spring Valley Canners will be taken over will not be available until the financial statements of Whittall Can and its subsidiaries have been published. The merger of the two units is largely an internal matter; it will also include Best Canning Co., which is owned by Spring Valley Canners.

Spring Valley Canners operates canning plants at Brighton and Trenton while the Best Canning Co., recently acquired, is active at Wellington, Ont. Addition of these three units will bring the total number of plants operated by Associated Quality Canners to 12.

No dividends have been paid on the capital stock of Associated Quality Canners since December, 1930; dividends on the preferred stock of the parent company, Whittall Can, were omitted in September, 1931.

NEW C.P.R. BONDS ARE CONVERTIBLE TO COMMON STOCK

Conversion Privilege Features $12,500,000 Offering of Bonds

From Our Own Correspondent

MONTREAL.—Featuring a conversion privilege in C. P. R. securities for the first time, a strong syndicate headed by the chartered banks is making an offering of $12,500,000 of Canadian Pacific Railway 10-year, 6 per cent, convertible collateral trust bonds, at par. Also noteworthy is the interest rate; the company previously had no securities outstanding bearing a higher interest rate than 5 per cent.

The new bonds are convertible into common stock at the rate of four shares of common for each $100 bond, or par for par, from September 15, 1932, to September 15, 1937, a privilege which would pre-suppose a strengthening in present share values. Bond interest is payable in Canadian funds only.

Details of Offering

Following are details of the offering, which has been accorded a good reception:

CANADIAN PACIFIC RAILWAY
$12,500,000
Convertible 10-year 6% Collateral Trust Bonds—(Non-callable)

Dated: March 15, 1932 **Due:** March 15, 1942

Security: Direct obligation of the company and specifically secured by pledge of C. P. R. 4 per cent consolidated debenture stock in the ratio of not less than $136 of debenture stock to $100 of bonds outstanding. Debenture stock is a first charge on the whole property, except lands received as subsidy, subject to working expenses and priorities totalling $3,811,440 annually.

Earnings: In 1931 earnings and special income were equal to 1.66 times all interest charges. For the last five years earnings on the same basis have averaged over three times interest charges.

Conversion: From September 15, 1932, to September 15, 1937, bonds will be convertible into common shares at the rate of four shares of common for each 100 bond.

Purpose of Issue: Funds will be used for expenditures on capital account.

Offered: March, 1932, by syndicate of banks and investment bankers at par to yield 6 per cent.

PRICE BROS. OMITS PREFERRED DIVIDEND

Reflection of Difficult Conditions in Newsprint Industry

From Our Own Correspondent

MONTREAL. — Directors of Price Bros. and Co. have taken no action on the preferred dividend payable April 1, 1932. There is outstanding $6,597,600 of 6½ per cent preferred stock on which dividends have been paid regularly since issuance in 1924. An indication of the decline which has taken place in earnings in the last year is seen in the fact that preferred dividends were earned more than three times over in the fiscal year ended February 28, 1931.

Dividends on the $42,683,200 of common stock were suspended in December, 1931, with a view to conserving the liquid resources of the company. Earnings in the 1931 fiscal year were equal to $2.18 a share. Senior to the preferred and common, there was outstanding at February 28, 1931, $11,513,600 of 6 per cent first mortgage bonds.

In September, 1931, it was stated that a considerable part of the year's cut of lumber had been sold. Prices for newsprint remain unsatisfactory, however, and demand as yet has shown no tendency to strengthen.

Bond Tenders

April 4. Cap de la Madeleine—$90,000, 6 per cent 30-year serial bonds. R. Rocheleau, clerk.

ANALYSES AND TESTS

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Saskatchewan Municipalities Add Six Million to Debts

From Our Own Correspondent

REGINA.—Speaking before the Convention of Saskatchewan Association of Rural Municipalities in Moose Jaw, Hon. Howard McConnell, Minister of Municipal Affairs, stated that the total debt of rural municipalities of the province had increased during the past year from $13,000,000 to $19,000,000. At the present time, he said, there are 103 municipalities which owe between $50,000 and $100,000; 23 municipalities which owe between $100,000 and $150,000; 14 which owe from $150,000 to $200,000; 3 which owe between $200,000 and $250,000; 6 from that amount up to $300,000, and 4 which owe more than $300,000.

Because of this situation it had been found necessary to give the local government board control of the finances of 13 municipalities, and for the first time since the creation of the province, in the case of one municipality, to appoint an official administrator.

Up until three years ago the affairs of the rural municipalities were in excellent shape, with comparatively few of them in debt to any extent, and with a tendency for debts incurred in earlier years to be paid off. But in districts which have been subject to drought for three successive years tax collections have necessarily been poor. Consequently the municipalities to a large extent have had to resort to borrowing from the banks against uncollected taxes, and in many cases this has been done under a government guarantee to the banks.

LONDON CANADIAN INVESTMENT CORP. REVENUE LOWER

Wide Decline in Market Value of Investment Portfolio

From Our Own Correspondent

MONTREAL. — Decreased revenue and a further reduction in value of investment holdings are disclosed in the annual report of London Canadian Investment Corp. for 1931. Revenue, exclusive of profit or losses sustained from sales of securities, was $519,177 compared with $623,865 in the previous year. After deduction of expenses, etc., net profits were $167,319. This was sufficient to cover three quarterly preferred dividend disbursements totalling $150,000 and leave a surplus of $17,314. In the previous year preferred dividends of $200,000 left a surplus of $97,133.

During the year $1,305,000 of 4½ per cent debentures were redeemed and cancelled from an issued total of $6,000,000. Market valuation of investments owned by the company at the end of the year was $5,118,044 a depreciation from book value of $5,716,669. Investments at cost, less discount on debentures repurchased and investment reserve of $764,400, are carried at $10,834,714 compared with $12,198,927 in 1930.

Profit and Loss Figures

Following is a comparison of income for the past two years:

	1931 $	1930 $
Revenue from invest.	*511,254	......
Stock divds. sold	7,923	......
Total income	519,177	623,865
Less: Deb. interest	*270,000	270,000
Int. on loans	33,717	11,901
Man. expenses	13,238	6,224
Taxes	3,694	17,349
Transfer fees	1,885	1,666
Misc. exp.	3,548	3,537
U. S. exchange	15,472	855
Income taxes	10,304	15,701
Net profit	167,319	297,133
Less Pref. divds.	150,000	200,000
Surplus for year	17,319	97,133
Prev. surplus	197,759	100,627
Balance forward	215,078	197,760

*Includes interest on $38,609 of debentures repurchased and cancelled at Dec. 31, 1931.

Call Loans Dropped

The balance sheet shows cash and call loans of $30,483 down from $117,636 in 1930. Accrued interest on bonds totals $52,604 against $64,257 in the previous year.

In liabilities a bank loan, payable in New York funds, is shown at $985,750, a new item. Investment reserve of $831,189 in the 1930 statement does not appear and debentures outstanding total $4,695,000 reflecting redemption of $1,305,000.

Inasmuch as free stock warrants attached to the cancelled debentures were concurrently cancelled, 13,050 fully paid shares held by the Montreal Trust Co. in trust for holders of these free stock warrants are now held for cancellation or for the disposition of the directors.

CANADIAN GENERAL TRANSIT IS FORMED

Will Manufacture and Lease Tank Cars in Canada

From Our Own Correspondent

MONTREAL. — Canadian General Transit Co. is the name given to the consolidation of the Canadian interests of General American Tank Car Corp. and Canadian Tank Car Co., subsidiary of Canadian Car and Foundry Co.

The new company will take over Canadian operations of General American Tank Car. Canadian Tank Car Co. has taken out a charter allowing it to build, lease and sell tank cars. Its formation by Canadian Car and Foundry Co. followed a ruling by the Board of Railway Commissioners that tank cars should be owned or leased by shippers and no longer supplied by the railroads. At the beginning of November, 1931, 25 tank cars were under construction in the shops of the parent company.

Details of the merger and election of officers have not yet been completed.

December Cement Sales Below Figure for 1930

From Our Own Correspondent

MONTREAL. — Cement sales in Canada, the major part of which may be attributed to Canada Cement Co., amounted to 370,672 barrels in December, 1931, compared with 393,355 barrels in the same month of the previous year. Sales during the calendar year totalled 10,161,658 barrels a decline of 7 per cent from 1930.

The December figures throw some light on operations of the Canada Cement Co. in the first month of its current fiscal year which commenced December, 1931. The remarkable stability of the company's earnings demonstrated in the last fiscal year ended November 30, 1931, was due in part to the finishing up of a number of construction projects carried over from previous years. In 1932, however, the effects of the general contraction in building may be expected to find more definite reflection in income.

Last year earnings were equal after all charges to $7.41 a share on the $6.50 preferred stock and balance sheet position was strengthened.

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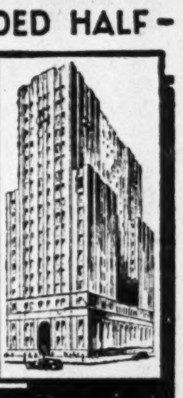

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Mortgage Corporation
320 Bay St., Toronto
Assets exceed $72,000,000

DOMINION TEXTILE CO., LIMITED

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The Hon. J. M. Wilson

Bruck Silk Abandons Plan to Purchase Mill

From Our Own Correspondent

MONTREAL.—Bruck Silk Mills has abandoned negotiations for acquiring the Silk Mills of Canada at Actonvale.

Obituary

P. A. McCallum, of Toronto, manager for Canada of the Hartford Fire Insurance Co., died on March 15 at Virginia Beach, Virginia.

CANADIAN CELANESE LIMITED

ANNUAL REPORT
For the Year Ended December 31st, 1931

To the Shareholders:

Appended hereto are copies of the Balance Sheet showing the financial position of the Company as at December 31, 1931, and the Profit and Loss and Surplus Account for the year ended December 31, 1931, together with the statement of the Company's auditors, Messrs. P. S. Ross & Sons.

The net profit from operations for the year was $1,260,448.85 as compared with $1,254,529.67 for the previous year. After making provision for income tax, depreciation, and other deductions, and after deducting $77,612.18 to re-establish the reserve for contingencies and unascertained charges to $100,000.00, there was carried to Surplus Account $805,164.83 as compared with $811,512.05 last year.

Dividends distributed to the holders of the 7% Cumulative Participating Preferred shares during the year amounted to $630,000.00.

A special reserve in the amount of $150,000.00 was appropriated from Surplus for market depreciation of investment securities held by the Company, or to be used for other purposes.

The total surplus at the end of the year was $1,730,478.49 as compared with $1,713,478.56 for the year ended December 31, 1930.

Current assets exceed current liabilities in the ratio of eleven to one.

At a special meeting of the shareholders, held on July 2, 1931, Supplementary Letters Patent were approved to provide for the payment of dividends on the 7% Cumulative Participating Preferred shares quarterly on March 31, June 30, September 30 and December 31, instead of on June 30 and December 31.

During the year your Company's stock was listed on the Montreal Stock Exchange.

Based on these results obtained under adverse conditions your Directors view the future of this Company with confidence. Your Board thanks the employees of the Company for their zeal, loyalty and co-operation.

For the Board of Directors,
CAMILLE DREYFUS,
President.

February 15, 1932.

Balance Sheet as at December 31, 1931

ASSETS

Fixed:		
Real Estate, Plant, Organization and Development Expenses, Patents, etc.		$ 9,495,962.54
Current:		
Cash on Hand and in Banks	$ 396,394.13	
Bonds and Stocks at Cost	1,150,819.10	
Accounts Receivable and Accrued Interest	380,310.06	
Inventories of Raw Materials, Supplies, Work in Process and Finished Goods	1,379,172.08	3,306,695.37
Deferred and Prepaid Charges:		
Unexpired Insurance, Taxes, etc		24,092.41
		$12,826,750.32

LIABILITIES

Capital Stock:		
Authorized:		
150,000 Shares 7% Cumulative Participating Preferred.		
300,000 Shares Common without Nominal or Par Value.		
Issued:		
90,000 Shares 7% Cumulative Participating Preferred	$ 9,000,000.00	
250,409 Shares Common without Nominal or Par Value	981,545.00	$ 9,981,545.00
(Arrears of Dividends on Preferred Shares $29.75 per Share).		
Reserve for Depreciation of Buildings, Machinery and Equipment		561,308.76
Reserve for Contingencies and Unascertained Charges		100,000.00
Special Reserve		150,000.00
Current:		
Notes Payable	120,480.00	
Accounts Payable and Accrued Liabilities	182,938.07	303,418.07
Surplus:		
Per Statement attached		1,730,478.49
		$12,826,750.32

Approved on behalf of the Board:

(Signed) C. L. AUGER
W. McC. CAMERON } Directors.

Examined and Certified in accordance with our attached Certificate.
P. S. ROSS & SONS,
Chartered Accountants.

Montreal, February 6, 1932

PROFIT AND LOSS AND SURPLUS ACCOUNT
For the Year Ended December 31, 1931.

Profit from Operations		$ 1,260,448.85
DEDUCT:		
Depreciation	$ 241,992.49	
Income Tax and Other Deductions	135,679.35	
Reserve for Contingencies and Unascertained Charges	77,612.18	455,284.02
		805,164.83
ADD:		
Balance at Credit of Surplus Account, December 31, 1930:		
Paid In	339,530.32	
Earned	1,373,948.24	
	1,713,478.56	
Less Additional Income Tax paid in respect of Prior Periods	8,164.90	1,705,313.66
		2,510,478.49
DEDUCT:		
Dividend of 7% on Preferred Shares paid during 1931	630,000.00	
Special Reserve Account	150,000.00	780,000.00
Balance at Credit of Surplus Account, December 31, 1931:		
Paid In	339,530.32	
Earned	1,390,948.17	1,730,478.49

AUDITORS' CERTIFICATE

To the Shareholders,
Canadian Celanese, Limited,
Montreal.

We have examined the books of account and financial records of Canadian Celanese, Limited, for the year ended December 31, 1931, and have obtained all the information and explanations we have required.

Your Investment Securities are shown on the attached Balance Sheet at their actual cost, the Reserve for Contingencies and the Special Reserve being considered adequate to provide for the decline in the market value of these securities as at December 31, 1931.

We certify that, in our opinion, the attached Balance Sheet and relative Profit and Loss and Surplus Account present a true and correct statement of the financial position of the Company as at December 31, 1931, and the results from operations for the year ended that date, according to the best of our information and the explanations given to us and as shown by the books of the Company.

P. S. ROSS & SONS,
Chartered Accountants.

February 6, 1932.

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year end	Net income 1931 $	Net income 1930 $	Common earnings 1931 $	Common earnings 1930 $	Curr: divd. $	Balance car. fwd. 1931 $	Balance car. fwd. 1930 $	Mkt.	Mkt. times earn.	Yield %
Dodge Mfg. Co.	Jan. 31	*65,749	31,418	...	...	...	†18,654	23,605	..	...	...
P. T. Legare Co.	Dec. 31	46,262	124,738	0.03	0.82	...	1,178,483	1,175,369	..	...	...
Dom. Foundries & Steel Ltd.	Dec. 31	123,653	90,499	1.81	1.03	...	787,807	719,098	..	...	...
Collingwood Terminals Ltd.	Dec. 31	1,902	5,672	0.71	2.18	7.00	8,881	1,152	..	...	...
Howard Smith Paper	Dec. 31	62,361	303,935	...	0.15	...	1,200,592	1,424,056	2½	...	...

*Loss.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Basis
Riviere du Loup, Que.	Mar.	Credit Anglo-Francais	6%	10-yr. ser.	$85,000	96.50	6.80%
Toronto	Mar. 21	Bk. of Commerce, Wood, Gundy & Co., and Syndicate	5½%	1937-41 1933-36 1942-62	15,299,000	Var.	5.75% 5.70% 5.70%
Grand Forks Hydro-Elec. Develop.	Mar.	Locally	....		45,000	....	....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—Corporation	Date Issued	—Offered by—	Rate	Due	Amount	Offered	Yield
Canadian Pacific Railway	Mar.	Royal Bank, Dominion Securities and Syndicate	6%	1942	$12,500,000	100	6%

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TORONTO, MARCH 26, 1932

MANUFACTURERS MUST MAKE TARIFFS WORK

IF CANADIAN industrialists want protection to be continued as Canada's economic policy they must bend every effort to make protection work out. At the present time Canada is having a chance to test out protection as it has never previously been tested out in Canada. By legislation, by order-in-council and by departmental regulations, the Canadian tariff is being raised to higher and higher levels. So far there has been very little protest from the Canadian public even from the free trade doctrinaires. The tariff policies of other nations and the unemployment situation at home have put the public as a whole in a mood for higher duties. Yet if groups of manufacturers take advantage of the tariff to maintain prices by combination or monopoly, or use the tariff as a substitute for cost reduction at home, they may count on a reaction to come later. The tariff can only remain popular so long as it is utilized as an instrument for the creation of Canadian wealth.

It has previously been pointed out in The Financial Post that at the present time some isolated manufacturers are doing harm to the whole industrial traffic of the Dominion by taking advantage of the tariff in an unfair manner. Evidence of examples has been cited. From the head of a great Canadian industry, selling its product in open competition with the world, The Financial Post has received some further comments. This manufacturer points out that every industrialist today is trying by every possible means to reduce his costs. This applies particularly in the basic manufacturing industries where it is essential that they should be able to sell in competition with foreign sources of supply. Yet, contends this producer, while there has been a very definite drop in commodity values in Canada, many of the price reductions do not yet seem to have reached such buyers as his firm. In his opinion the principal reason for this is that while the tariff has given the manufacturers a larger share of their home market some of them have entered into sales agreements for the maintenance of prices regardless of the decline in commodity values and regardless of present economic conditions. He is of the opinion that these sales agreements tend to maintain prices at levels that are necessary only to keep inefficient mills, inadequately equipped, from going into bankruptcy. The allegations made by this manufacturer are supported by a very careful study made of all his purchases over the term of the past year.

The tariff is distinctly up to the manufacturers. The manner in which they utilize its advantages will determine public opinion in relation to the tariff in the future.

ANOTHER MERGER MAKES ITS EXIT

DURING the 1928 merger mania in Canada, a number of old-established companies in a certain line of business were merged in a Canadian city. By means of the merger one large company was set up. The sale of stock to the public permitted the previous stock owners to take out the major portion of their capital stock in cash, although still retaining control of the common stock. The earnings figures presented by the investment house that underwrote the issue of the stock indicated a long record of steadily increasing earnings, on the part of the individual companies, and these earnings, had they been continued, would have been ample to pay the full dividends on the stock sold to the public. The promise was held out that the merger would put into effect such economies that earnings would increase following the merger.

This expectation has fallen far short of realization and recently receivers were appointed. In not one of the years since the merger have the companies in question been able to earn as much money as the individual companies combined earned in the several years before the merger and during the past year a heavy loss has resulted. The company has been unable to meet even its ordinary trade debts. And yet there has been no remarkable change in the status of the industry in which this company is engaged. On the other hand, a large volume of business has been available, and other companies in the field have continued to be very prosperous.

This experience has been repeated with many companies. It always provides a mystery for investors. If half a dozen or a dozen companies can be exceedingly successful as separate units, why can they not be even more successful as one big company? In the present instance, the answer to this question provides an historical commentary upon the recent speculative period.

In the first place, there is no assurance that the earnings as shown in the offering circular were strictly accurate. There is a habit of showing earnings "after the elimination of non-recurring charges" but without including new expenses that are certain to be established. In the second place, the merger turned out to be a company in which not one of these directors had a cash stake big enough to warrant the constant daily fight for economies and for new business that characterized the activities of each of the former companies. And in the third place, the large amount of cash taken out of the company by the different directors and put into their bank accounts proved their undoing. Most of them went into the stock market with their newly-found wealth and proceeded to lose most of it by injudicious speculation. Soon they were giving more time to the stock market than to their business, and when the market went against them, their minds were so weighted down with the extraneous problems so provided that they were unable to concentrate upon making a success or the larger corporation. The inevitable result was receivership.

Mergers are no better than their management. Unfortunately, management is not necessarily the sum of its constituent parts, and a group of men capable of making a success of each of the small companies is not necessarily capable of making a success of one large company.

There will be more receiverships for many of the 1928 mergers, and many re-organizations that will not go as far as receivership.

LOWER TAXES ONE ROAD TO TRADE REVIVAL

BUSINESS revival during the coming year will depend largely on the ability of the average family to buy goods other than the absolute necessities of life, such as food and clothing. Goods and services such as electric light, telephone, gasoline, etc., hitherto considered by many to have joined the class of necessities, will be considerably reduced in total, due to the inability of the reduced incomes of the people generally to make their money go around.

The fact that taxation from various sources, more particularly from municipal and Federal income and property taxation, will remain at the present high level and perhaps go higher, is not the only factor that will prevent an increase in the consumption of goods and services.

Indirect taxation such as sales tax, corporation, tariffs, gasoline tax, etc., have been largely increased during the past year and the tendency at the present time is to increase these forms of taxation.

That those in charge of important government and municipal departments do not look at all facts of the case when revenues are dropping is quite evident from the attempts which are being made to find new forms of taxation. This is a time when the business leaders of the nation should be called in for counsel from the standpoint of reducing expenditures and taxation. Those in high places have had practically no experience in conducting public affairs in times of depression and this experience can only be mobilized from the business community.

THE POWER PROBLEM IN WINNIPEG

THE possibilities of sale of the Winnipeg Electric Street Railway and its gas and electrical distribution systems in the city of Winnipeg have passed for the moment out of public discussion, but the question is likely to be revived. There is a splendid opportunity in Winnipeg to accomplish by negotiation something useful for both the city and for the shareholders of the company, but the opportunity may well be lost if both parties stick to pre-conceived ideas on the subject.

The difficulties of the situation divide themselves into different sections. There is first the street railway system, which because of the automobile development is no longer so profitable as once was the case. On that account the company is quite willing to get rid of it, and for the same reason the city is not likely to want to acquire it. Street car service is a necessity for the life of the city, but so long as a private company will give it there appears to be no reason for the city undertaking the task. The Financial Post believes that in the long run such service will be more economically provided under private management than under public control, and at the same time can see no reason why the stockholders should expect the citizens to take off their hands this task just because the conditions of street transportation have changed. But if the company finds difficulty in continuing the enterprise, it is only sensible that the terms of the arrangement between the city and the company should be reviewed.

Then there is the question of duplicating systems for distributing electric current within the city. This is very wasteful and very costly, and if continued is likely to be still more so. The surplus power, which is now possessed by both the city Hydro and by the company, has lately led to unsound competition in rates for commercial purposes. Quite obviously one distribution system would be both cheaper and better. It should not be beyond the capacity of the city and of the company to develop a plan for unified distribution.

The company has already expressed a willingness to sell its tram lines, its gas utility, and its distribution system to the city. Doubtless it would be in the interests of the shareholders to do so, if a sufficient price could be obtained, but the prospect of success in that direction is not very encouraging. The city has always been proud of its Hydro utility, and principally because of the low rates for domestic current which followed its development. But careful examination will show the weakness of the present situation, and dangers that lie ahead.

If both interests will survey the whole power situation of the Winnipeg area, they should be able to arrive at a sensible and satisfactory solution.

"HANDS OFF THE PURSES OF THE PEOPLE"

THE battle cry of a certain section of the press of Ontario now is "Hands Off the Hydro!" The battle cry of an even larger cross-section of the press of Canada as a whole is "Hands Off the C. N. R.!" What is really implied in both cases is that these two sacrosanct public ownership institutions, the Ontario Hydro-Electric System and the Canadian National Railways, should be maintained on the pedestal they formerly occupied, where it was politically dangerous to make any critical analysis of their affairs, or even to ask questions about them.

"Hands Off the Hydro!" "Hands Off the C. N. R!" They are good slogans but The Financial Post thinks that it can offer an even better one and it is "Hands Off the People's Pocketbooks!"

In the name of public ownership. Ontario has invested over $300,000,000 in its power enterprises, put them under political control, and freed them from practically all forms of taxation.

In the name of public ownership, Canada has permitted the Canadian National Railways to add collossal burdens to the public debt, has permitted it to waste millions of dollars annually, has permitted its treasurers to dip deeply into the purses and bank accounts of all classes of citizens in the country. Yet those to whom public ownership is a fetish would bar all criticism or discussion of its affairs.

Governments that run wild with the public's money; that start power plants, build unnecessary railways, loan money to the farmers at less than cost, guarantee loans for this enterprise and that, subsidize operations that should be made to stand on their own feet, build pork-barrel buildings, and generally pour out the dollars that are supposed to create prosperity, are popular governments. But the foolish persons who shout hurrah at these extravagances and think that they gain some benefit without cost, are the people who ultimately pay every last dollar of the bills incurred. The average man is the ultimate taxpayer.

And so we present our slogan as a substitute for the more expensive shibboleths of the past.

"Hands Off the People's Pocketbooks." Hands off their savings; hands off their comfort and their happiness; hands off their security and protection; hands off thrift.

EDITORIAL NOTES

New York's centre of population turns out to be a cemetery. Queer place for a speakeasy.

* * *

Victor Ross says the U. S. oil companies are fighting a big racket. With anti-knock gas?

* * *

The Glass Bill in the U. S. Senate would put a further curb on the banks. But the bankers find it difficult to see through.

* * *

Von Hindenburg was once the greatest German threat to the security of Britain and America. Now he is the one man in Germany they rely upon.

* * *

Japan has a new diet and it is already voting money for larger military operations. For the taxpayer it is apparently a reducing diet.

* * *

Appropriately enough the discharged employee who wrote a letter asking the president to keep him on the pay roll signed his letter: "I beg to remain."

* * *

Balanced budgets for governments are of little value to the country when they are achieved by the imposition of such high taxes that the people are not able to balance their own budgets.

* * *

Four years ago the New Era of prosperity was said to be the result of the Machine. Today new depths of depression and long queues of unemployed are blamed on the Machine. This is what we call versatility.

* * *

A reader sends a long article urging conscription of wealth to pay off the national debt. With income and corporation taxes going up, his proposal will be at least partially adopted.

* * *

The difference between the U. S. and the Candian income taxes is that if an American made no money in 1931 it costs him two cents to tell Uncle Sam but if a Canadian had no income his letter needs no postage.

POST-scripts

A WITNESS before the sensational Seabury investigation, that is looking into the ethics and practices of New York City officials, recounted in the following manner a conversation he had with one of the officials under fire:

> I went up to the department again and filed application, and that is the last I heard of it, excepting I met Mr. Flynn in front of his property and I told him. I said, "Look here, you dirty, yellow dog," I said, "you are taking up crossings for yourself," and I said, "I need that money for my family," and I said "Is that right?" And I said, "You are certainly yellow, you dirty bum," and, of course, he did not like me thereafter, and he never did.

Well, isn't that surprising?

BUSINESS men are watching keenly for definite, signs of a business recovery and they should not overlook any interesting developments in the intensity of their research. An independent-minded economist has collected some material which, he claims, contains definite indications of a business improvement. His optimism is based on facts which are startling, if true; a few of his findings follow: Discarded cigarette butts today are about 14 per cent longer than they were six months ago. Furnace men are wearing 1930 model hats compared with a 1928 vintage featured last year. Slam bids at contract are made with more nonchalance than they were in 1931, and fewer people are playing for a fiftieth. Smaller crowds are attracted by the sight of two men digging a hole in the street. Three Rolls-Royces were seen on St. James Street in February bearing passengers who were smiling. The weather has succeeded the gold standard as the chief topic of conversation and last, but not least, two garbage men in Montreal are wearing spats.

THOSE who have had occasion to gape with wonder at a name given to a railroad car will be interested to know that the word has not been picked at random from a Choctaw dictionary. Not in the case of the Canadian National, anyway, for there are definite rules laid down for the christening of a car. For instance you will never see a chambrette sleeping car named North Bay, for these coaches are always named after Canadian ports. Similarly sleeping cars are named after important stations on the National lines, parlor and buffet parlor cars after Canadian lakes and cafe-parlor and cafe coaches after rivers. Canadian capes only are featured on compartment observation sleeping cars but the same coaches with library buffets are named after forts. Canadian bays are immortalized on lounge cars but the lowly tourist car achieves nothing but a number.

As Others See Us

Public-Owned Utilities Should be Taxed

Regina Daily Star.—It is quite correct to say, as does The Financial Post, that "most of the usual sources of income are paying heavy imposts, but one of the largest untapped sources is the publicly-owned power systems, which have revenues running into many millions of dollars, but to date have gone untaxed." If many of those utilities that are today being run supposedly for the benefit of the people were under private control, taxation would be lighter than it is.

Hitherto, it has been claimed that this step could not be taken as it was barred by the British North America Act. But that is no obstacle today when the Federal Government is no longer prevented from passing the necessary legislation. Whether this will be done or not cannot be said. Save the statement of The Financial Post no public reference has been made to such a possibility. But there is much to justify the claim that this impediment to the development of private enterprise should be removed, and what is undoubtedly an injustice to it abolished by making publicly-owned utilities help to provide for the nation's financial necessities.

What Are They Doing to Beauharnois?

Kingston Whig-Standard. — Just what is the Dominion Government trying to do to Beauharnois? That is the question which a great many people, who have invested money in Beauharnois common stock and Beauharnois bonds would like to know.

The Financial Post of Toronto, which is an authoritative and conservative financial paper, has a most disquieting article in today's issue regarding the future of the Beauharnois corporation. According to The Post, the Dominion Government has notified the bankers that it will not further guarantee advances by the banks to the company for constructional purposes. The article further states that during the past week in excess of 50,000 shares of Beauharnois common stock has changed hands at an average price of $1.00 a share, and that it is doubtful whether the company will be able to meet its bond interest on April 1st next.

There is no disguising the fact that the investigation into Beauharnois, which was supposed to be primarily in the interests of the public, has become very much a political fishing expedition.

Isn't it about time for the Government, in the interests of the people, to reorganize Beauharnois, or do something to restore public confidence in it, so that the general public which has invested its savings in Beauharnois bonds will be given some protection. About one more political investigation and these bonds will be worth nothing.

Other People's Views

Boom-Makers Busy

Sault Ste. Marie Star.—The boom-makers appear to be getting set to let the public in on the ground floor at Bear Lake. The publicity about the new finds there has all the earmarks of the old ballyhoo. There are some solid people at work in the northern field, but the hurrah boys will also be out in force unless the signs fail. Better think it over twice before buying stock in one of the many flotations that are bound to come soon now.

The scandalous trimming the public got in New Ontario schemes should not be forgotten. Mining as it is conducted in our crude way is mostly a pitfall for the unwary. Millions of dollars have been filched from trusting people. Everybody in the north knew of unworthy schemes that took money out of brokers' "clients." The stuff that the fakirs managed to inundate a lot of well-meaning papers with was in many cases purely mendacious. Good camps were boosted unduly and more harm than good has come from "the world's biggest mining market," at Toronto.

The public can pray to be saved from the harpies that hang around every mining camp. Under our present system of raising money for mining development, the public has one chance in a thousand. New Ontario has been set back for years by dishonest promotions.

If you personally do not know a man to be honest and capable, better keep out of his mining scheme.

Canadian Social Services

Journal of Commerce, New York.—The extent to which social services have been expanded in Canada during the last few years is possibly not generally recognized in this country. A much larger proportion of governmental revenue is expended for such purposes in Canada than here. Mr. Justice Middleton, an eminent Canadian Jurist, recently stated that it was doubtful whether, in any community save in the Soviet States, social legislation had been carried further than in the Province of Ontario. Although some of the Canadian provinces, notably Quebec, have not gone as far in such directions, yet Ontario may be taken as fairly representative of Canadian conditions generally.

Industry in that province is called upon to bear a very heavy burden because of various social services. It has been estimated that over two-thirds of Ontario's ordinary governmental expenditures, aside from debt interest payments, is spent on carrying out legislation of a purely social character and that about 10 per cent of the population is shouldering the cost. Obviously Ontario industry is suffering a considerable handicap on this score in competition with industry in most other countries, and it would seem as if the time had come to call a halt to expansion of social services.

Wanted: An Economic Board

Oakville (Ont.) Record—When the Dominion government wants to know what to do about the railway problem it appoints a royal commission. When the provincial government wants to know about hydro it hesitates, but will probably appoint a commission. When parliament wants to know about tariffs, the gold standard, exchange, or what-not, it scratches its head and discovers that it has dandruff. When the average citizen wants to know about how to vote on national issues he tosses a coin or votes the way his father and grandfather did. All of which has got us into a pretty mess.

It is not the fault of the Liberal government which left office, by request, before things got too bad nor the Conservative government now in power, that world conditions have gone askew. But the problem has got too big for any party or a changing parliament. Canada needs now, and from this time forward, a national board comprised of the best economists, bankers, farmers, industrialists, labor men, and statesmen. A board thoroughly representative of all interests, permanently on the job, equipped to learn and sift the facts, and competent to advise this government, the next and succeeding governments, even though it cost a million dollars a year, would save us from the almost crippling mistakes which have contributed greatly to our present misfortunes and suffering. Such a board would be cheap at almost any price. It could save us vast sums annually.

The Economy Wave

Cobourg Sentinel-Star: It is interesting to read reports of meetings of municipal councils all over the province of Ontario. In every meeting the keynote of economy is being sounded. City, town and county councils are concentrating on ways and means of reducing expenditures, of lightening the burdens of taxation which weigh so heavily upon the backs of the people.

Since it is absolutely essential that the masses of the people be called upon to pay a lesser amount of taxation, this is a healthy sign. It indicates that municipal bodies realize the seriousness of the situation which faces them, that it is their duty to make it as easy as possible for their ratepayers to meet their tax obligations. Individual citizens, in the last two years, have had to tighten up their belts and reduce their spending, because they have not had as much money to spend.

Municipal councils, while late in recognizing this factor, are now doing their part in reducing the cost of living. It now remains for the province of Ontario, by lightening the demands made upon the municipalities, to do its share in cutting public expenditures, and if the government does its part, then it will be possible for the average man to view the prospect of paying his tax bills with a great deal more ease of mind than has been the case for some years.

Boycott Against Canada!

Nor'west Farmer: — The war in China, such as it is, is being waged more than five thousand miles from the nearest Canadian point. It is being fought too on Canadian soil, not with bombs and guns as at Shanghai, bu with that well-known Oriental device, the boycott. Chinese merchants refuse to handle products produced by Japanese labor in Canada. So long as the Chinese restricted this peculiar form of warfare to Japanese goods in China no one except the Japanese had much interest in the matter, but when Chinese merchants in B. C. discriminate against Canadian grown fruits and vegetables because of Japanese labor employed in their production, the matter takes on a different light. Then the "war" reaches Canadian territory. Cases in point are early vegetables produced by Japanese for the Coast or prairie trade, soft fruits and potatoes. Also dry salt herring, of which B. C. produces in the neighborhood of forty thousand tons per year. What to do about it appears to be nobody's business, least of all the business of white producers of products affected. But the "rights" of the matter are open to question.

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

MORE ON REPARATIONS

THE war debts and reparations discussions behind the scenes seem to be continuing on the tack already outlined in this column. When Silas Strawn, of Chicago, said in Berlin the other day that when Germany and the European Allies had come to some sort of understanding on the matter, the United States would be willing to consider any reasonable proposals for readjustment, he is understood to have been conveying unofficially the viewpoint of President Hoover.

This, then, is what is going on, so far as the facts can be got at. Germany and France are coming to some sort of rapprochement on war debts. France, Britain and other European countries are paving the way for conversations on the subject. By June, Europe may have arrived at agreements providing for a drastic cut in reparations, and for a similar adjustment in inter-Allied war debts. With such an agreement in force the debtor countries will be able to come to Washington with their pleas for readjustment of their debts to the States. The proposals will probably receive favorable consideration if they have a united Europe behind them.

If, on the other hand, Europe cannot reach agreement the world financial outlook will remain obscured. Washington will be loath to volunteer anything.

* * *

ANOTHER GERMAN VOTE

THE deferred election in Germany that was made necessary by the result of the election of two weeks ago will take place on April 10. While most observers seem to take for granted that Hindenburg will be re-elected as president and while many people take a great deal of comfort out of the defeat of Hitler, it should not be forgotten that the intransigent groups in German politics made great gains between the previous election and this one. The Communists, the Nationalists, and the Hitlerites together polled 49 per cent of the vote as against 39 per cent in 1930.

One capable observer considers that these gains are not of particular importance if improvement in the German and European economic situation can be expected during the next few years. If on the other hand, there is to continue a deadlock over reparations and war debts, if economic warfare is to go on, the Hitlerite following will gain, and the next election in Germany may tell the different story.

It is, therefore, a race between time and recovery in Germany, and if recovery does not come, the Hitlerites will most assuredly achieve power by force and bring about a new era of uncertainty in European politics.

In the Mail

Approves Beauharnois Stand

Editor, The Financial Post,—

Being an altogether too heavy investor in Beauharnois bonds and having just read your two articles on the present and prospective state of the company's affairs, and your advocary of the interest of the bondholders, I take this opportunity to thank you heartily for your good work in bringing to the front the interests of said bondholders. With good wishes that your work may bring good results.

INVESTOR.

Ridgetown, Ont.
March 18, 1932.

"Stop Me If You've Heard This One"

Two automobile dealers, one from Canada and the other from the United States, met at the recent motor show in Toronto and were commiserating with each other over the state of business generally. The Canadian stated that in connection with the last two sales he had made, the cheques given him had been returned "No funds." "That's nothing," said the American, "I had six cheques back last week marked 'No bank'."

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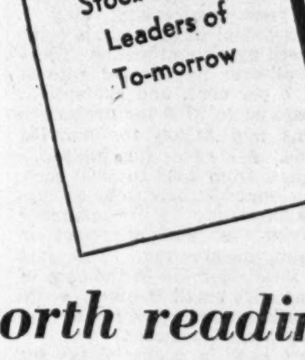
To holders of
Arnold Brothers, Limited
First Mortgage Sinking Fund Bonds

Attention is directed to the fact that an important Meeting of the holders of the above-mentioned Bonds will be held at the Company's offices on March 31st, 1932.

It is important that Bondholders be present, either in person or by proxy, to consider certain reorganization plans which, if approved, will among other things ensure payment of interest due April 1st, 1932.

Holders of Bonds who have not received full particulars of this Meeting are requested to communicate immediately either with Montreal Trust Company, 61 Yonge Street, Toronto, or with the Secretary of Arnold Brothers, Limited, 1385 Bloor Street West, Toronto.

Arnold Brothers, Limited
By G. C. ANSPACH,
Secretary.
Toronto, March 18th, 1932.



Decidedly worth reading—
Every investor should have a copy

Many investors ask The Financial Post how they are to choose the stocks that may prove to be the stock market leaders in the next period of rising prices. The Financial Post is an investment and not a speculators' paper and it does not attempt to pick stocks for market appreciation. But many common sense principles can be set down and applied to various stocks to determine which have substantial promise and great relative merit.

Without prejudice and without any claim to prophetic vision, The Financial Post recently published a series of articles on good Canadian stocks that seem to meet the most obvious tests that need to be applied to good securities. These articles are now reprinted in booklet form. The first chapter in the booklet outlines the record of some former leaders and tells why some disappeared and why some remained. It also discusses some essential tests. Further chapters discuss individual stocks. The list is given at the left. This booklet (48 pages and cover) is now available at 25c

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Business Conditions in Canada

The Week in Business

Deflationists Get Upper Hand

Business Prospects for Spring

Canadian Index May be at All-Time Low

ANYONE who reads closely the weekly reports of business conditions and prospects from expert commentators in the United States has probably been impressed in past weeks with the volte face on the part of many of these writers as compared with their attitude during February. This does not apply to all, of course, but it does apply to those who have perhaps the greatest popular circulation and who it is obvious are mouthpieces for the official or unofficial propaganda of those who are closest to the financial and political helms.

What has happened apparently is that whereas in February newspapers were filled with business ballyhoo planned to inaugurate in a wave of enthusiasm deflationist measures such as the Glass-Steagall bill, the tide has now turned and the "deflationists" are apparently once more in the saddle. Perhaps this is a passing phase planned to expedite the passage of heavy taxation measures in the United States such as the sales tax measure, but at least the presence of these influences in the sphere of business are of importance in a consideration of spring and summer outlook.

* * *

AS POINTED out in this column on several occasions in past weeks, the good performance of the bond market would seem to be a reflection of a much better undertone in the fundamentals of business. Now it seems generally agreed that unless business shows signs of recovery, this gain may be lost. This the deflationists are apparently prepared to face, believing no doubt that the greatest ultimate good will be served by a further deflation of costs and inventories and improvement of liquid position.

A month ago it was generally felt that deflation in business had gone as far as it could possibly go without reaching the breaking point. Just what the doctors advise for the patient in the next few weeks may have an important bearing on whether business is to stay in bed this spring or is to be allowed to stretch its legs and perhaps indulge in a little exhilarating exercise.

* * *

IN CANADA, The Financial Post index of business activity shows the first quickening in the past nine months. This bears out the experience of past years and reflects an improvement that is customary at this time. As a matter of fact on the basis of data presented in this index and reproduced on the first page of this issue, everything points to the probability that the low mark reached in January of this year will be the lowest point to be touched in the decade since it is altogether likely that the present level will be at least maintained during the next few months and that given improved crop prospects, a further dip to lower levels in the fall will also be obviated.

Fewer Emigrants to U. S.

Canadian immigration to the United States during 1931 showed a tremendous falling-off in comparison with the preceding year, 9.462 entries being recorded as against 41,339—a reduction of over 77 per cent. The total number of immigrants according to the U. S. Department of Labor, from all countries, was down 75.9 per cent at 43,353.

Butter production calculated in Canada in January, 1932, as compared with January, 1931, shows a decrease of 175,797 lbs., equivalent to 9 per cent.

FEWER TOURISTS ENTERED CANADA DURING LAST YEAR

Total 9¼ p.c. Below 1930—New Brunswick and Alberta Show Gain

The number of automobiles entering Canada for touring purposes during 1931, for stays of varying periods, was 4,909,989, a decrease of 499,469, or 9.23 per cent from the total for 1930. All provinces shared in the decrease excepting New Brunswick and Alberta, which showed slight gains. Canadian cars crossing the border for touring purposes in 1931 showed a substantial decrease, dropping from 746,924 to 536,855.

By far the greatest number of visitors recorded were admitted for a period not exceeding 24 hours; the total in this category being 3,439,492. The remainder was made up of 1,469,753 admitted for a period not exceeding 60 days and 744 for from 60 days to 6 months.

Ontario Most Popular

Ontario led other provinces in the number of touring cars admitted for a period exceeding 24 hours but not over 60 days, with 857,095, Quebec and Manitoba following with 400,748 and 126,580 respectively. New Brunswick was fourth with 58,954. Entries for over a 60-day period were reported in largest number from Quebec with 417. Ontario followed with 198.

Comparative statement, prepared by department of national revenue from figures furnished by customs collectors, is as follows:

Tourist Automobiles Admitted to Canada

Province:	1931	1930	Decrease
Ontario	3,691,720	4,164,603	472,883
Quebec	645,935	649,970	4,035
N. Brunswick	300,068	299,110	*958
Brit. Columbia	169,475	185,418	15,943
Manitoba	44,608	51,027	6,419
Alberta	31,954	30,519	*1,435
Saskatchewan	24,487	26,600	2,113
Nova Scotia	1,741	2,210	469
Prince Ed. Is.	......	1	......
Total	4,909,989	5,409,458	499,469

*Increase.

Windsor was the leading port of entry, even increasing in popularity, 1,453,350 tourist cars passing through in 1931, about 23,000 more than in the preceding year. Bridgeburg was second with 1,158,044 against 1,248,130 in 1930, a decrease of about 90,100. Niagara Falls and Walkerville, with 738,166 and 118,528 respectively, showed declines of 285,900 and 100,000.

The department reports that the number of United States automobiles crossing in January this year at the three international bridges at Niagara Falls increased by 9,273 compared with the number crossing in January a year ago. Sixty-day touring permits issued in the month numbered 2,567, an increase of 413 over the previous January. Twenty-four hour permits numbered 31,009, which showed an increase of 4,491 compared with January, 1930.

Business Briefs

Coal output by Canadian mines for the last quarter of 1931 amounted to 3,725,589 tons, which was 13 per cent less than for the corresponding period of 1930. Increases were recorded in production from Saskatchewan and British Columbia mines. For calendar year 1931 the total coal produced was 12,230,616 tons as against 14,881,324 tons for previous year.

Car loadings in week ending March 12, were slightly lower than previous week at 41,738 cars, and were 13 p.c. less than same week 1930. For year to date 410,403 cars compare with 460,542 last year, a 10.8 p.c. decline. Coal and coke the only items to show gain so far. Grain down 18 p.c., pulpwood and pulp and paper about 30 p.c. lower. Merchandise l. c. l. 9½ p.c. lower at 130,025 cars.

Wheat stocks at March 11, in elevators and afloat in Canada totalled 185,057,175 bus. being about 300,000 bus. heavier than previous week but about 1½ million bushels below the stocks at the same date 1931. Export shipments for week and two weeks ended March 11 were slightly under corresponding period last year at 2,192,162 and 4,734,051 bushels respectively. Vancouver shipments show continued improvement.

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Business Faces Spring Warily

	Canada	United States
Commodity Prices:	Wheat markets firm as export outlook improves.	Prospect of federal dumping of wheat, cotton weakens markets.
Iron and Steel:	Moderate gain in auto and iron and steel recorded in February.	Ford delay still wields depressing influence over steel trade.
Foreign Trade:	Imports gain $1,400,000 in Feb. Exports slightly lower compared with January.	February exports make unexpectedly good showing at $155,000,000.
Carloadings:	Cold wave slows loadings but current figure only 13 p.c. below 1931.	March carloading trend disappointing at 23 p.c. below 1931 level.
Employment:	Civic employment conditions show slight March improvement.	Retail trade fails to show usual seasonal gain during March.
Stock Markets:	Bond market still hesitant on any but most favorable offerings.	Market succumbs to natural economic influences as February stimulation wears off.
Week's Highlight:	General tone of business opinion somewhat less enthusiastic than in February.	Sales tax outlook more hopeful as long list of exemptions is added.

Gain in February Index Good Omen for Business

Financial Post Index Shows First Gain in Nine Months — Steel, Autos, Lumber, Cotton Lead the Way

By SYDNEY B. SMITH

Industrial operations were steadier in February, a slight gain being shown in The Financial Post business index over the level of the preceding month. The reversal in the trend in February which had been downward for nine consecutive months followed the precedent established in the two preceding years. The early months of 1930 and 1931 showed marked resistance to depressing tendencies and it was only during the latter part of each of those years that the curtailment of Canadian business largely took place.

The tendency toward revival in February is an excellent omen for the next six months. As a background for business improvement, the advance in the price of high-grade bonds may be cited as a step in the right direction. The decline in government bond yield is a phase of reviving confidence indicated by the marked reduction since the first of the year in short-term interest rates in most external money markets.

Half Factors Gain

The business index compiled from 26 strategic factors was 110.8 in February compared with 110.2 in the preceding month. About half of the factors after seasonal adjustment showed gains in the second month of the year.

Prominent among the groups showing betterment were the primary iron and steel industry and motor car production. While still operating at relatively low levels, moderate gains were shown in the output of pig iron and steel ingots. Automobile production was at a moderate level but a considerable gain was shown over the preceding month. The conservative schedule of operations during the first two months of the year will prove a safeguard against excessive stocks of new cars, and expansion in production greater than normal for the season may reasonably be expected during the coming months.

Petroleum Offsets Rubber

The actual receipts of crude rubber from external sources was nearly maintained at the level of the preceding month, the total being 3,860,000 pounds. After seasonal adjustment a moderate gain would be indicated. Preparations are consequently being made for substantial operations in tire factories.

The imports of crude petroleum suggestive of operations in the petroleum refining and distributing industry, on the other hand, showed considerable curtailment in February. The amount imported was 48.583,000 gallons compared with 72,729.000 in the first month of the year. The decline was consequently greater than normal for the season.

The exports of planks and boards were 60.445,000 feet compared with 53,847,000 in January. As the gain was greater than normal for the season, a slight revival in the external demand was indicated. The production of newsprint reached the low point of 158,543 tons which may be regarded as one of the unfavorable developments.

Raw cotton imports were 7,074,000 pounds compared with 6,528,000 in the preceding month. As receipts are normally much lower in February than in January, the gain after seasonal adjustment was substantial. The decline in the imports of raw wool and wool yarn was greater than normal for the season.

Inspected slaughterings of livestock were slightly less in the month under review but the decline was considerably less than normal for February. The index of slaughterings was 144.1 in February compared with 131.7 in January. The meat packing industry continues to handle a large volume, the gross value of production not being so favorable owing to the lower level of prices.

Characteristic of the winter months, the new business obtained by the construction of industry was at a fairly low ebb, contract awards and building permits showing a decline in February.

The feature of mining was the gain in the shipments of nickel and the increase after seasonal adjustment in the shipment of gold to the Mint and external points. Silver, copper and zinc registered declines in this comparison, but the general index for mineral production was more than maintained.

Imports Make Gain

Imports in February recorded a clear cut gain while the decline in exports was less than normal for the season. A favorable balance of trade was shown for the ninth consecutive month.

The increased movement of railway freight was indicated by the loadings of 174,106 cars compared with 165,838 in January. The normal tendency is a decline of about 4 per cent between the two months.

Measured by the number employed retail trade was not quite so active at the end of February as at the beginning, the larger stores releasing a few of their working forces for purposes of retrenchment.

A gain was shown in bank debits especially in Ontario while increases after seasonal adjustment were also indicated in the Prairie Provinces and British Columbia. The gain in the Dominion total after seasonal adjustment was 9.5 per cent.

While the results were affected by the fact that there were five Sundays in January and owing to leap year February had 25 working days rather than the usual 24, it may be concluded that despite some reactionary tendencies the trend of business was favorable in the second month of the year. Barring unforeseen developments, the chances favor some improvement as the season develops.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932	Weekly Latest 1931	Cumulative Jan. 1 to date 1932	Cumulative Jan. 1 to date 1931
Transportation—				
Car Loadings (Mar. 12)	41,738	48,106	410,403	460,542
C.P.R. gross earn. (Mar. 14)	$ 2,276,000	$ 2,725,000	$ 22,495,000	$ 27,941,000
C.N.R. gross earn. (Mar. 14)	$ 2,550,573	$ 3,305,973	$ 27,239,891	$ 33,831,921
	Monthly			
C.P.R. net earn. (Jan.)	$ 649,939	$ 874,502	......	......
C.N.R. net earn. (Jan.)	$ ‡588,122	$ ‡511,928	......	......
Iron and Steel—				
Pig iron, tons (Jan.)	10,805	35,592	......	......
Steel, tons (Jan.)	25,060	57,598	......	......
Automobiles prod. No. (Jan.)	3,731	6,496	......	......
" exports, No. (Jan.)	548	3,054	......	......
Construction—				
Building Permits (Feb.)	$ 2,578,597	$ 6,395,659	$ 5,430,526	$ 14,797,115
Contracts (Feb.)	$ 14,802,600	$ 25,930,100	$27,540,900	$ 46,229,200
Newsprint—				
Production, tons (Feb.)	158,543	164,552	329,864	347,625
Exports, tons (Jan.)	172,913	153,362	......	......
Sugar—				
Imports, raw, lbs. (Jan.)	11,985,700	23,116,800	......	......
Manufactured, lbs.*	27,891,289	27,183,827	......	......
Flour—				
Production, bbls. (Jan.)	851,192	1,086,272	......	......
Wheat flour exp., bbls. (Feb.)	337,513	414,773	669,319	807,029
Other Industrial Indices—				
Lumbering: Plank & board exports mill. ft. (Jan.)	53.84	57.11	......	......
Boots & shoes, pr. (Jan.)	1,112,192	984,924	......	......
Petroleum, imp. crude, gal. (Jan. '32)	72,728,643	58,974,995	......	......
Cotton, imp., raw, lbs. (Dec. '31)	12,224,000	12,343,000	95,597,602	100,483,000
Rubber, raw, imp, lbs. (Jan.)	3,911.406	3,828,530	......	......
Coal, imports, tons (Jan.)	629,633	792,826	......	......
Trade—				
Imports (Feb.)	$ 35,586,085	$ 50,994,084	$ 69,700,592	$ 101,362,402
Exports (Feb.)	$ 36,431,055	$ 48,872,682	$ 74,797,754	$ 88,490,565
Wheat exports, bus. (Feb.)	9,898,363	10,296,603	19,370,709	19,905,455
Labor—				
Employment Index (Feb.)	89.7	100.7	......	......
Electric Power—Output—				
M. Kilowatt hours (Dec. '31)	1,432,182	1,542,308	16,383,398	17,862,729
Finance—				
Failures, No. (Dec.)	196	289	2,216	2,402
Failures, Liabilities (Dec.)	$ 2,957,235	$ 4,202,599	$ 52,552,900	$ 48,164,065
Bank Debits (Jan.)†	$ 2,071,034	$ 2,668,325	......	......
Bond sales (Feb.)	$ 21,250,069	$ 26,909,955	$ 67,167,155	$ 147,259,576
Insurance sales (Jan.)	$ 37,331,000	$ 41,188,000	......	......
Automobile Financing:				
Used cars (Jan.)	$ 801,629	$ 1,287,404	......	......
New cars (Jan.)	$ 629,714	$ 909,514	......	......

*Jan. 1 to Jan. 30.
†(000's omitted).
‡Deficit.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Wood-English Logging Co. recently installed auxiliary equipment at a cost of $65,000 enabling them to ship between 300 and 350 tons of hemlock daily to Port Townsend for pulping purposes.

Rev. Prescription of Chicago have registered in Canada and have arranged for manufacture and handling of their powdered remedy for rheumatism in Canada. No plant facilities will be set up but compounding and packaging will be done by Seely Products, Ltd. of Windsor and warehousing and shipping by F. M. Allworth of Windsor Truck & Storage Co. The company will do its own selling.

The Bux-Om Cereal Co., manufacturers of breakfast foods, have opened a plant in St. Boniface, across the Red River from Winnipeg.

Standard Furniture Co., manufacturers of chairs, tables, stands, etc., has opened a new plant in Winnipeg.

CENSUS FIGURES REVEAL CHANGES IN LIVESTOCK

Ontario Now Owns Third of Dominion Total

Canada's animal population, as revealed by the 1931 census returns, consists of, approximately, 3 million horses, 8 million head of cattle, 4¾ million swine and 3½ million sheep, to say nothing of sundry mules according to preliminary figures published by the department of agriculture. In addition, there are about 65½ million head of poultry and approximately 187,000 hives of bees.

Actual figures show Ontario to be the province most richly endowed with livestock of all classes with the single exception of horses, in which it concedes first place to Saskatchewan. This province, with 1,004,156, has almost one-third of the total horses in Canada. Alberta is next with 732,000, followed by Ontario, (578,333); Manitoba, (326,529) and Quebec, (304,537).

Ontario Leads in Cattle

Next to Ontario, Alberta has the biggest proportion of Canada's sheep, with 789,300, Quebec following with 731,800. The Ontario figure is 1,035,153. Saskatchewan comes a poor fourth with 279,000.

Ontario has over 31 per cent of the cattle in the Dominion with 2,487,824 head, Quebec being next with 1,720,447. Saskatchewan and Alberta follow with 1,188,480 and 1,136,616 head respectively. Manitoba has practically three times as many as any other province, with 677,668.

The figures made available this year by means of the census make interesting comparison with the computations of 1930 and 1929. In the case of horses and sheep the figures are surprisingly close. Cattle shows a drop of about a million, while actual numbers of swine exceed last year's estimate only by about 700,000. Poultry was either somewhat under-estimated last year or else the rate of increase has been accelerated more than the average during the year, the figure being about 5 million higher than the estimate for 1930.

Comparative figures are shown below:

LIVESTOCK CENSUS, By Provinces, 1931

	Horses	Mules	Cattle	Sheep	Swine	Poultry	Hives of Bees
Alberta	731,999	1,932	1,136,616	789,298	1,062,908	9,016,428	......
British Columbia	56,379	209	246,235	144,901	51,977	4,408,638	......
Manitoba	326,529	850	677,668	213,936	387,646	5,546,691	......
New Brunswick	52,901	....	213,706	143,180	84,737	1,324,179	1,169
Nova Scotia	44,579	18	220,767	195,220	43,668	1,265,326	2,098
Ontario	578,333	411	2,487,824	1,035,153	1,379,943	23,587,885	113,476
	(18.5%)	....	(31.1%)	(28.7%)	(29.3%)	(36.0%)	......
Prince Ed. Island	29,582	....	99,132	75,752	40,007	878,277	308
Quebec	304,537	87	1,720,447	731,805	725,398	7,932,135	66,935
Saskatchewan	1,004,156	2,953	1,188,480	279,076	940,436	11,506,936	......
Total, 1931	3,128,996	6,460	7,990,875	3,608,321	4,716,720	65,466,495	186,981
" 1930	3,295,000	....	8,937,000	3,696,000	4,000,000	60,795,000	......
" 1929	3,376,487	....	8,930,988	3,728,309	4,381,725	59,932,963	......

Sugar Production Goes Contra to Normal Trend

After completing a year of record production, sugar refineries of the Dominion have relapsed to well below the normal average output for this time of year. Thus, sugar manufactured during the four weeks ended February 27 totalled 25,680,631 pounds as compared with nearly 40½ million pounds for February last year—and this was low compared with this month's figure for the past several years.

Total output for the current year, to February 27, is 53,571,920 lbs. compared with 67,592,000 lbs. in 1931, 85,639,000 lbs. in 1930, 62,209,000 lbs. in 1929, and 95,650,000 lbs. in 1928.

PROTECTION

The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost.

This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.

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TABLE OF CONTENTS

1. Canada's Economic Position 19-32
Aviation 20
Foreign Exchange 20
Purchasing Power, 1931-32 21
British & Foreign Investment in Canada, 1931 23
New Capital Issues in Canada, 1931 25
Balance of International Payments, 1931 25
Capital Investment in Canada, Jan. 1, 1932 27
Canadian Investment Abroad, 1931 29
2. Canada's Air Mail Service (Map) .. 31
3. Long-Term Chart of Canadian Business, 1867-1931 32-33
4. Market Survey of Canada 33-55
Maritime Provinces 35
Quebec 36
Ontario 39
Prairie Provinces 40
British Columbia 45
Market Data for Leading Canadian Cities 46-49
Tourist Trade 51
National Wealth 51
Retail Sales Outlets 52
Employment 53
Wages and Wage Indices 54
Commercial Failures 54
Chain Stores 55
5. Federal Income Tax 57-60
Detailed Analysis of 1931 Income Tax Returns 59
Income Tax Districts of Canada (Map) 59
6. How to Figure Your Income Tax .. 58
7. Branch Plants in Canada 61
8. Immigration 63
9. Canadian and U. S. Business Compared 68
10. Manufacturing 65-101
Forty Leading Industries 66
Tobacco 67
Furniture 69
Lumbering 70
Pulp & Paper 71
Newsprint 72
Sash, Door & Planing Mills 73
Textiles 75
Leather 79
Boots & Shoes 80
Flour Milling 81
Biscuits and Confectionery 83
Bread and Baking 83
Distilled Liquor 84
Sugar Refining 85
Slaughtering and Meat Packing .. 87
Printing and Publishing 89
Coffee, Tea and Spices 89
Iron and Steel Automobile 91
Automobiles 93
Non-Metallic Minerals 96
Non-Ferrous Metals 97
Chemicals 98
Wine 99
Brewing 99
Canning and Preserving 100
Rubber 101
11. Agriculture 103-112
Sources of Agricultural Revenue .. 104
Yield and Value of Field Crops 105
1931 Acreage Census 106
Maple Syrup and Sugar 106
Wheat 107
Honey 108
Consumption of Field and Animal Products 109
Tobacco Growing 109
Fruit Growing 110
Number and Value of Livestock .. 111
Poultry and Eggs 111
Dairying 112
12. Mining 113-116
13. Building and Construction 117
14. Fisheries 119
15. Canada Census Returns, 1931 ...121-129
16. Fur Farming and Production 129
17. Foreign Trade of Canada 131-141
18. Public Finance and Taxation ...143-153
Analysis of Provincial Finances .. 144
Canadian Bond Sales 146
Succession Duty Rates by Provinces 148-149
Corporation Taxation by Provinces 151
19. Newfoundland and Labrador ...157-164
20. Transportation and Communications 165-171
Railway Statistics 165
Shipping 167
Telephones 169
Electric Railways 170
Canals 171
Express Companies 171
Telegraph and Cables 171
21. Canadian Dividend Record 171
22. Prices and Price Indices 173-177
Trend of Prices in 1931 173
Security Prices 176
23. Water Power and Electric Output. 179
Cost of Power in Canadian Cities .. 181
24. Insurance 183
Life and Fraternal 183
Fire 189
Automobile 191
Casualty 192
Provincially Licensed Insurers .. 192
25. Banking in Canada 193-197
26. Trust and Loan Companies 197-198
27. Carloadings 203
28. Highways and Motor Vehicle Revenue 204
29. Automobile Financing 204
30. Canadian Business Indicators..205-206

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DIVIDEND NOTICES

George Weston, Limited

Common Dividend Number 9

NOTICE IS HEREBY GIVEN that a quarterly dividend (No. 9) of twenty-five cents per share on the no par value Common Capital Stock of this Company (being at the yearly rate of One Dollar per share) has been declared for the quarter ending 31st March, 1932. This dividend is payable on and after 1st April, 1932, to Common Shareholders of record at the close of business on the 19th day of March, 1932.

CHARLES W. KERR,
Secretary.

Toronto, 15th March, 1932.

United Securities Limited

Notice is hereby given that a dividend of Fifty cents (.50c) per share has been declared on the outstanding common shares of the Company for the quarter ending March 31st, payable April 15th, to shareholders of record March 31st, 1932.

By Order of the Board,
JAMES WILSON,
Secretary-Treasurer.

Montreal, March 15, 1932.

THE BORDEN COMPANY

ANNUAL MEETING

The annual meeting of stockholders will be held on Wednesday, April 20, 1932, at our registered office, 15 Exchange Place, Jersey City, New Jersey, at ten o'clock A.M. Only stockholders of record at the close of business on Tuesday, March 22nd, 1932, will be entitled to vote at said meeting notwithstanding any subsequent transfer of stock. The stock transfer books will not be closed.

WILLIAM P. MARSH,
Secretary.

Tip Top Tailors Limited

NOTICE IS HEREBY GIVEN that a dividend of 1¾% on the 7% cumulative sinking fund redeemable convertible preferred shares of the Company for the quarter ending March 31, 1932, has been declared payable on and after April 1, 1932, to holders of preferred shares of record at the close of business, March 22, 1932. The transfer books will not be closed.

Dated at Toronto 17th day of March, 1932.

H. P. MACKECHNIE,
Treasurer.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a Dividend of Three per cent, being at the rate of Twelve per cent per annum, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after
1st April, 1932,
to Shareholders of record on the books of the Company at the close of business on 15th instant.

By Order of the Board,
WALTER GILLESPIE,
Manager.

CHARTERED TRUST AND EXECUTOR COMPANY

DIVIDEND NOTICE

Notice is hereby given that the regular quarterly dividend of 1½% has been declared payable on the First day of April, 1932, to shareholders of record at the close of business March 26, 1932.

By Order of the Board,
E. W. McNEILL,
Secretary.

THE DOMINION BANK

Notice is hereby given that a Dividend of three per cent upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 31st March, 1932, being at the rate of twelve per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Friday, the 1st day of April, 1932, to shareholders of record of the 19th March, 1932.

By Order of the Board.
C. A. BOGERT,
General Manager.

25th February, 1932.

The TORONTO GENERAL TRUSTS CORPORATION

DIVIDEND NO. 143

Notice is hereby given that a dividend of three per cent. (3%) has been declared upon the paid-up capital stock of this Corporation for the quarter ending March 31st, 1932, being at the rate of

TWELVE PER CENT. PER ANNUM,

and that the same will be payable on or after Friday, the first day of April, 1932, to shareholders of record at the close of business on March 19th, 1932.

By order of the Board of Directors.
W. G. WATSON,
General Manager.

Toronto, March 15th, 1932.

63rd Quarterly Dividend

Notice is hereby given that a dividend of Thirty-seven Cents per share (being at the rate of One Dollar and Fifty Cents per annum) on the NEW no-par value Common Shares of the Company presently issued and paid-up for Quarter ending March 31st, 1932, has this day been declared to shareholders of record, March 31st, 1932, on the Montreal and London, England, registers.

Dividend cheques will be mailed to registered shareholders April 30th, 1932.

By Order of the Board,
G. R. WHATLEY,
Secretary.

Montreal, March 21st, 1932.

MontrealLightHeat&Power
CONSOLIDATED

Owned by 60,000 shareholders, Montreal Light Heat & Power comprises the largest group of customer-owners possessed by any public utility company in Canada

DIVIDEND NOTICES

MONTREAL TRAMWAYS COMPANY

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of TWO DOLLARS AND FIFTY CENTS ($2.50) per share, for the quarter ending March 31st, 1932, has been declared upon the paid in Capital Stock of the Company, to the shareholders of record on Thursday, the 7th day of April, 1932, at 4 o'clock p.m., and payable on Friday, the 15th day of April, 1932.

By Order of the Board.
PATRICK DUBEE,
Secretary-Treasurer.

March 21st, 1932.

PROVINCIAL PAPER LIMITED

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable April 1st, 1932, to Shareholders of record as at close of business, March 15th, 1932.

W. S. BARBER,
Secretary-Treasurer.

NORTHERN ONTARIO BUILDING, LIMITED

Notice to First Mortgage Bondholders

The half-yearly interest due April 1st, next, will be paid in Canadian funds, at the principal offices of the Bank of Nova Scotia, in the cities of Montreal, Toronto, Halifax, Saint John, Winnipeg or Vancouver.

T. A. SPOOR,
Secretary.

March 21st, 1932.

ECONOMIC INVESTMENT TRUST LIMITED

NOTICE

Notice is hereby given that the Directors of the Economic Investment Trust Limited have declared a dividend at the rate of seventy-five cents per share (par value Fifty Dollars), being at the rate of 3% per annum for the half-year ending the 31st day of March, 1932, payable on the 1st day of April, 1932, to shareholders of record at the close of business on the 19th day of March, 1932.

By Order of the Board,
C. R. ALDERSON,
Assistant Secretary.

Toronto, 18th day of March, 1932.

GENERAL TRUST OF CANADA

Dividend No. 12

A dividend of 1½%, being at the rate of 6% per annum, for the quarter ending March 31st, 1932, on the preference stock of the Company, has been declared, payable April 1st, 1932, to shareholders of record on March 26th, 1932.

RENE MORIN,
General Manager.

Montreal, March 22nd, 1932.

ORANGE CRUSH LIMITED

Notice of Dividends
"A" Preferred

Notice is hereby given that a quarterly dividend of 1¾% has been declared on the "A" Preferred Capital Stock of this Company, payable April 1st, 1932, to shareholders of record March 22nd, 1932.

By order of the Board,
R. T. MACDONALD,
Secretary.

Toronto, Ont., March 18th, 1932.

Hydro-Electric Securities Corporation

COMMON STOCK DIVIDEND NO. 11

NOTICE IS HEREBY GIVEN THAT A dividend of Ten Cents (10c) per share on the outstanding common shares of this Corporation has been declared, payable 31st March, 1932, to shareholders of record at the close of business 18th March, 1932.

By order of the Board,
A. H. LANG,
Secretary.

Montreal, 18th March, 1932.

The B. Greening Wire Company Limited

Preference Dividend No. 31

Notice is hereby given that a quarterly dividend of one and three-quarters per cent on the Preferred Shares of the Company has been declared payable April 1, 1932, to shareholders of record March 15, 1932.

F. J. MAW,
Secretary.

Hamilton, Ont., March 17, 1932.

Canadian Bronze Company Limited

Dividend Notice.

THE quarterly Dividend of 1¾%, on the PREFERRED STOCK of the CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 1st day of May, 1932, to Stockholders of record as of the 20th day of April, 1932.

Also a quarterly Dividend of Thirty-one and one-quarter (31¼c) Cents per Share has been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months ending April 30th, 1932. Payable the 1st day of May, 1932, to Stockholders of record as of the 20th day of April, 1932.

By Order of the Board,
W. S. CAIE,
Secretary.

Montreal, P.Q.,
March 18th, 1932.

Vancouver Plants Are Improved

A preliminary survey of fifteen major industrial plants operating in Vancouver and vicinity during 1931 shows an investment of $1,365,000 in either the building and equipping of new factories or in the enlarging of those already in operation.

NOTICES

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To Business Executives

University graduate, fifteen years experience in the construction industry including five years successful sales work across Canada, desires to join a business organization (not necessarily in construction field) wherein an executive position and eventually a financial interest may be secured. References as to business ability and character furnished. Communications strictly confidential. Write Box 308, The Financial Post, Toronto.

CANADIAN PACIFIC RAILWAY COMPANY

NOTICE TO SHAREHOLDERS

The Fifty-first Annual General Meeting of the Shareholders of this Company, for the election of Directors to take the places of the retiring Directors and for the transaction of business generally, will be held on Wednesday, the fourth day of May next, at the principal office of the Company, at Montreal, at Twelve o'clock noon.

The Ordinary Stock Transfer Books will be closed in Montreal, New York and London at 3 p.m. on Tuesday, the Twelfth day of April. The Preference Stock Books will be closed in London at the same time.

All books will be reopened on Thursday, the fifth day of May.

By order of the Board,
ERNEST ALEXANDER,
Secretary.

Montreal, March 14, 1932.

LUMBER OUTPUT DROPS IN EAST

Production For 1932 Forecast 25 to 60 p.c. of 1931

Lumber cut of the eastern provinces during the past winter was greatly reduced, according to the annual trade survey of Canada Lumberman. In the Georgian Bay and northern Ontario district the total cut in the past season was 278,800,000 ft., a drop of practically 50 per cent from 1930. In the Ottawa Valley the output in 1931 was the smallest in many years, being 108,210,249 feet, a decline of 47,729,466 feet from 1930 figures. Stocks on hand are heavy at some centres and normal at others, but all surplus holdings are gradually being cleared up.

Canada Lumberman forecasts that production in the eastern provinces during 1932 will only be from 25 to 60 per cent of last year's output.

Total production of softwoods in eastern Canada for the 1931 sawing season was 850,675,000 feet. Hardwoods totalled 139,723,000 feet, giving a total for all species of 990,398,000 feet.

Canada Northern Power Gives Views on Taxation

From Our Own Correspondent

MONTREAL.—Gross revenue of Canada Northern Power Corp. in 1931 was equivalent to less than 0.77 cents per kilowatt hour of electrical energy sold, according to A. J. Nesbitt, president of the company. If taxes paid of $335,000 are deducted, revenue per kilowatt hour was only 0.69 cents. This is said to be as low as that received by any similar undertaking on the continent.

In commenting upon the manner in which taxation has increased, Mr. Nesbitt stated that the company felt justified in pointing out the discrimination which results from unfair taxation, caused by the exemption of publicly-owned public utilities from Federal Income taxes, which Canada Northern Power is called upon to bear.

Purchases Kelowna Tobacco Crop

Practically the entire crop of tobacco from the Kelowna district has been purchased by the firm of David Spencer Ltd., Vancouver. The 1931 local production averaged about 1,000 pounds of first class tobacco to the acre.

DIVIDEND NOTICE

"CANADA DRY"

Ginger Ale, Incorporated
A Delaware Corporation

Dividend Notice

At the meeting of the Board of Directors of Canada Dry Ginger Ale, Incorporated, held March 17, 1932, a regular quarterly dividend of thirty cents ($.30) per share was declared, payable April 15, 1932, to stockholders of record at the close of business April 1, 1932.

R. W. SNOW, *Secretary*

Imperial Bank of Canada

DIVIDEND No. 167

Notice is hereby given that a Dividend of three per cent (3%), being at the rate of twelve per cent (12%) per annum, upon the paid-up Capital Stock of this Bank, has been declared for the quarter ending April 30th, 1932, payable at the Head Office and Branches on and after Monday, the Second day of May next, to shareholders of record of March 31st, 1932.

By order of the Board,
A. E. PHIPPS,
General Manager.

Toronto, March 16th, 1932.

HOWARD SMITH EARNINGS DOWN, LOANS REDUCED

Earned $1.38 Per Share of Preferred — Depreciation Reserve Up

In spite of a decided drop in the value of tonnage manufactured, Howard Smith Paper Mills, Ltd., earned $1,048,760 on operations in 1931 against $1,231,760 in 1930. Net profit was reduced to $62,361 from $400,707 due to increase in depreciation reserve and United States exchange. Earnings amounted to $1.38 per share on the 6 per cent preferred stock against $9.79 per share in 1930.

Subject to reorganization of Canada Power & Paper Corp. the lease and sublease of assets of Canada Paper Co. will be cancelled and in consideration of such cancellation Howard Smith Paper Co. will pay $397,108 over a period of five years. Under this agreement a deferred liability of Canada Paper Co. to Canada Power & Paper Co. amounting to $1,965,000 will be discharged. The agreement was made during 1931 and is expected to come soon into operation.

Consolidated income and surplus account of Howard Smith Paper Co. for 1931 and 1930 is as follows:

INCOME AND SURPLUS ACCOUNT
Years End. Dec. 31

	1931 $	1930 $
Earn. from oper.	1,048,760	1,231,760
Sundry revenue	52,955	......
Net earnings	1,101,715	1,231,760
Less: Bond interest ..	560,919	568,188
U. S. exchange	54,305	......
Depreciation	420,172	222,865
Subs. inc. tax	3,958	......
Net profit	*62,361	*440,707
Less: Pref. divds. ...	47,604	376,564
Common divds.	7,500	6,000
Surplus for year	7,257	58,143
Add: Prev. surplus ..	†1,193,335	1,461,913
Less: Loss on sale of shares	......	75,000
Adj. to invest.	......	21,000
Balance forward	‡1,200,592	‡1,424,056

*Before providing for income tax.
†Less adjust. to prior periods $230,721.
‡Subject to minority stockholders' equity.

Working Capital Gains

Working capital has been increased by $118,325 to $2,144,876. Current assets total $4,010,621 against $5,168,593 the previous year with cash at $273,183; accounts and notes receivable at $1,140,945 and inventories down to $2,596,493 from $3,800,933. Current liabilities of $1,865,745 show reduction with bank loans down to $1,152,500 from $1,637,000; accounts and bills payable of $538,184 and accrued liabilities down to $143,634 from $470,673.

Various assets show little change from 1930 and total $284,221. Included in this item is investment in the company's own bonds and those of subsidiaries which are up to $109,022 from $75,163. Land, buildings, plant and equipment are carried at $19,817,844 compared with $20,924,317 in 1930. Timber limits and water powers are valued at $2,665,748.

Deferred liabilities are shown at $3,186,039 including $1,199,304 in bank loans due January 2, 1933 and notes payable of $1,665,855 due Canada Paper Co. Bonds outstanding total $9,696,000, of which $2,696,000 are those of subsidiary companies. Preferred stock of subsidiaries outstanding remains at $2,290,700 and minority interest is down to $548,798 from $724,934. Reserves for depreciation and depletion total $1,414,393. There remains outstanding $4,500,000 of 6 per cent preferred stock of $100 par value and 220,000 shares of no par value common stock carried at $900,623. Capital surplus amounts to $1,267,708 and earned surplus of $1,044,728. Contingent liabilities total $557,950, of which $380,002 is arrears of preferred dividends.

FAIRBANKS-MORSE EARNINGS DECLINE

Company Improved Liquid Position Markedly in Course of Year

Though Canadian Fairbanks-Morse Co. in 1931 paid both preferred dividends earnings only covered $1.10 a share on preferred stock with nothing available for common stock at all. Thomas McMillan, president, attributes the lower earnings to decline in sales in Middle West areas where production of grain fell off considerably in 1931, especially in Southern Saskatchewan where there was almost a complete crop failure. Declining commodity values also made adjustments in inventory necessary.

Net working capital still remains very strong with current assets 18.36 times current liabilities as compared with a ratio of 9.86 to 1 at the end of 1930. Cash and high grade securities alone at $1,126,377 are six times the company's total current liabilities.

PROFIT AND LOSS

	1931 $	1930 $	1929 $
Op. prof.	39,749	395,300	719,173
Misc. inc.	39,812	29,905	23,385
Total inc.	79,561	425,205	742,457
xDeprec, etc.	56,886	62,857	93,642
Net prof.	22,675	362,347	648,815
Tax prov.	6,703	34,000	34,000
Pfd. divid.	90,000	90,000	90,000
Balance	‡73,399	238,347	518,518
Com. divid.	120,000	*222,500	160,000
Surplus	‡193,399	15,847	358,815
†Less res.	62,500	......	......
Prev. surp.	2,819,996	2,804,148	2,445,333
P.&L. Ba.	2,689,097	2,819,995	2,804,148

x—Pension fund, depreciation and bad debts written-off.
*—Including reserve for dividends for one quarter on both preferred and common.
†—Reserve for dividends at December 31, 1930.
‡—Deficit.

WORKING CAPITAL

	1931 $	1930 $	1929 $
Curr. assets	3,480,550	3,850,141	3,783,043
Curr. liabs.	189,638	390,548	478,462
Work. cap.	3,290,912	3,459,593	3,304,581

February Building Permits Show 6.6 Per Cent Drop

Value of building in Canada, as represented by the permits issued in 61 cities, was lower in February by $183,332, or 6.6 per cent, than in January—and nearly 60 per cent below February last year—the total being $2,578,597.

Compared with February, 1931, all provinces showed a decline, that of British Columbia being the most marked, but Ontario, Saskatchewan, New Brunswick and Alberta showed gains over January this year, the largest gains being recorded by Ontario which had permits valued at $120,494 higher at $1,173,615.

January Newsprint Exports Gain

Canadian newsprint exports in January were valued at $8,661,086, a slight increase over January of last year, $8,641,937, and a substantial gain over December, when exports of newsprint were valued at $8,229,049.

"Textiles" Keep Big Print Works At Magog Busy

From Our Own Correspondent

MONTREAL.—Due to increased demand, resulting largely from the fact that there is a minimum value of $8 a dozen placed on all cotton dresses imported into Canada, the big print works of Dominion Textile Co. at Magog are working full time. Before the $8 minimum was placed in effect last year, cheap printed cotton dresses were imported into Canada at prices around $4 a dozen, a price which Canadian mills could hardly compete with at a profit.

This particular market is largely served by Dominion Textile Co. which operates the largest print works in the Dominion. Substantial additions have been made in recent years and the company has large sums tied up in new equipment in this plant.

Other of the company's Magog mills will shortly be participating in a new form of activity. Equipment for the manufacture of corduroys and velveteens has now been installed and commercial production is expected shortly. Co-ordination of the preparatory and finishing processes is going forward; on completion the company will serve a field hitherto served by about $1,000,000 of imported goods.

DROP OF 15 P.C. IN MANUFACTURES IN CANADA, 1931

Ontario Industry Slowed More Than That of Quebec

Total value of goods manufactured in Canada during 1930 was $3,428,970,628, Dominion Bureau of Statistics reports. This figure is over 600 million dollars below that for the previous year—a decline of 14.9 per cent—though owing to the reduced values of materials these figures tend to exaggerate the actual decrease in manufacturing activity. Thus, the yearly index number of wholesale prices in Canada dropped from 95.6 in 1929 to 86.6 in 1930, a decrease of 9.4 per cent.

A better indication of the extent of the recession experienced by the manufacturing industries in Canada is furnished by comparison of the number of persons employed; these reveal a decrease of 49,995 or 7.2 per cent.

Ontario Suffers Most

The most outstanding feature of the 1930 industrial situation was the relatively greater decline experienced by the manufacturing industries of Ontario as compared with the Province of Quebec. Ontario reported a decline of 17.7 per cent in gross value of production and 9.5 per cent in the number of persons employed, while Quebec showed a 12.5 per cent decline in value of manufactures and a drop of only 4.1 per cent in numbers employed.

In 1930 there were 24,020 manufacturing establishments in Canada, these being distributed: Ontario 9,888; Quebec 7,410; British Columbia and Yukon 1,697; Nova Scotia 1,302; Manitoba 937; New Brunswick 924; Alberta 845; Saskatchewan 750, and Prince Edward Island 267. Total investment represented by these plants was something over 5,203 million dollars, while employment was furnished to 644,439 people who received $736,100,000 in salaries and wages. The amount spent on materials was $1,666,984,000 and the value added by manufacture approximately $1,761,987,000, the latter showing a reduction of $235,363,639 in comparison with the previous year.

The ten leading industries of the Dominion by gross value of production are still lead by the pulp and paper industry, this being followed in order by slaughtering and meat-packing, flour and grist mills, central electric stations, sawmills, butter and cheese, railway rolling stock, electrical apparatus and supplies, automobiles and non-ferrous metal smelting and refining.

Appended table shows the growth in manufacturing industries in Canada in the past eight years:

Summary Statistics of Manufactures
(000 omitted)

Year	Capital $	Salaries & wages $	Gross Value of Products $
1923*	3,380,323	571,470	2,781,165
1924*	3,538,813	559,884	2,695,054
1925	3,808,310	596,015	2,948,545
1926	3,981,570	653,851	3,221,269
1927	4,337,632	693,932	3,394,713
1928	4,780,296	755,199	3,738,485
1929	5,083,015	813,050	4,029,371
1930	5,203,317	736,093	3,428,971

*Statistics for 1923 and 1924 do not include the non-ferrous metal smelting industry.

Biscuit and Confectionery Quite Important Industry

Importance of the biscuit, confectionery and chocolate making industry in Canada is emphasized by the fact that the value of output during 1930 totalled over 58 million dollars.

The 280 establishments comprising the industry reported capital investment of $54,400,000. These furnished employment to 12,291 people who received over $11,100,000 in salaries and wages. Ontario had 120 plants, had 55 per cent of the total capital, produced 54 per cent of the entire output, and gave employment to 48 per cent of all the people engaged in the industry.

Public Utility Earnings

February:	B. C. Power 1932 $	1931 $	Decrease $
Gross earn. ..	1,175,864	1,215,766	39,902
Expenses	746,754	773,252	26,498
Net earn.	429,110	442,514	13,404
Eight Mos. End. Feb. 28:			
Gross earn. ..	9,314,856	9,890,146	575,290
Expenses	6,129,663	6,363,888	234,225
Net earn.	3,185,193	3,526,258	341,065

METAL PRICES

New York—March 22—
Copper: Electrolytic spot, 6c. lb.
London—March 22—
(Long Ton)—
Copper: Electrolytic spot, £36 10s; future, £37.
Standard spot, £32 17s 6d; future, £33.
Tin: Spot, £127 17s 6d; future, £129, 12s 6d.
Lead: Spot, £12; future, £12 2s 6d.
Zinc: Spot, £12 7s 6d; future, £12 15s.
Silver: 17⅜d. per ounce.

U. S. FARM BOARD MUDDLING AGAIN HITS WHEAT PRICE

Despite Generally Favorable Factors, Market Sags Again

From Our Own Correspondent

WINNIPEG.—While there were several other factors in the decline in wheat prices, which became almost precipitate last week in the face of a good deal of news which under ordinary circumstances would have been construed as bullish developments in connection with the United States Farm Board and its stocks of wheat were chiefly responsible. First of these was the fact that the board began to turn over to the Red Cross part of the 40,000,000 bushels of its stock which the United States Congress had voted to have applied to relief purposes. The Red Cross, in turn began to arrange with millers for the milling of this wheat, and as no funds had been made available to take care of milling costs, it was arranged that the millers should take part of their pay in wheat. That in itself threw out of gear the normal purchasing of supplies by mills and also the normal course of forward purchases of flour by dealers and bakers, uncertain as to the effect that distribution of free flour might have on their business in succeeding months. And at the same time a certain amount of apprehension was set up in the minds of persons either carrying or contemplating carrying wheat futures.

Dumping is Feared

The real blow came when Chairman Stone, of the Farm Board, and Secretary Hyde, of the Department of Agriculture, made statements which were interpreted to mean that the Farm Board contemplated some prompt and large scale dumping abroad of its stocks and did this just at the time that the Chairman of the Wheat Stabilization Corporation, the operating subsidiary of the Farm Board, set sail for Europe. Official disclaimers of the latter, and statements that he was simply on a holiday trip did nothing to allay the idea that he was setting out on an attempt to sell Farm Board Wheat to European governments at bargain prices or on bargain terms. The combination of circumstances was enough to give a sharp check to European buyers, and to send holders of wheat futures into a scramble to get out. It is doubtful if in its long course of errors the Farm Board has displayed greater ineptitude.

Confusion Worse Confounded

What Messrs. Hyde and Stone really had in mind, and whether or not they really had in mind any departure from previously announced policies of the Farm Board is not clear, although it seems clear that nothing new had been worked out. It seems to have started with an attempt by Secretary Hyde to resist claims for seed loans to farmers to be made out of funds of the Reconstruction Corporation and the statement that $200,000,000 available for farm purposes might be better spent in the way of long-term credits to wheat purchasers abroad, than by assisting farmers to grow more wheat. Later the secretary amplified his statement to say that his reference was not to any existing markets for United States wheat but rather to the possibility of securing new markets. As no one knows of any markets where the extension of credits by the United States might result in the consumption of more wheat, the general effect was to create the impression of confusion and indefiniteness of purpose on the part of the Farm Board.

Other factors bearish in effect were the death of Ivar Kreuger, and resultant unsettlement of European financial conditions, and also stock market weakness. Reports of damage to the United States winter wheat crop were somewhat less extensive than had been anticipated, and later figures on southern hemisphere conditions showed that both the Argentine and Australia had had somewhat larger crops last year than previously supposed so that in spite of very large reductions in acreage the actual decline in production in 1931 as compared with the previous year was comparatively small.

Russia Short of Wheat

On the other hand the disclosure of Russia's wheat position, indicating that she had over-exported last fall, and was short of food and seed requirements in large areas would have been an encouraging factor, since further exports in volume for this year are rendered unlikely, and Russia's ability to produce heavily this year may be impaired. Crop conditions generally in Europe for winter wheat seem somewhat less favorable than the average. But of greatest importance is the disclosure that the food situation in wheat importing countries is becoming fairly tight, and that before another crop is harvested reserve food supplies are likely to have disappeared. Since Europe harvested remarkably heavy crops in 1928 and 1929 there have been large interior carryovers, mainly held on farms, and while these are not as apparent as the stocks held in terminal storage on this continent they have had important market effects.

May Discourage Seeding

If such a decline as has been experienced was necessary, it may be well that it came at this particular time, for whatever effect it may have in discouraging seeding of the spring wheat crop in the United States and practically concurrent seeding operations in the Argentine and in Australia.

World wheat shipments continue on the same basis as for several weeks past, the total volume satisfactory in extent, but with Australia and the Argentine providing the bulk of shipments. Canada is expected in the near future to export at a considerably higher rate than at present, and the opening of navigation is hoped to result in large clearances from the Atlantic seaboard. But until such clearances materialize the situation from the Canadian viewpoint cannot be considered satisfactory.

From now on reports as to the condition of the United States winter wheat crop will be somewhat more authoritative, and they may be expected to play an important part in the determination of prices.

INTER-CITY BAKING EARNINGS INCREASE

Common Stock Dividend Was Covered With Good Margin

Inter City Baking Co. in the year ending January 31, 1932, had net earnings of $331,643 as compared with $316,254 in the preceding year. Bond interest was earned four times before depreciation and common stock earned almost $6.80 a share while paying at the annual rate of $4 a share. Working capital is down somewhat due to lower inventories in current assets and higher accounts payable in current liabilities.

PROFIT AND LOSS

	1931-32 $	1930-31 $	1929-30 $
*Net earn.	331,643	316,254	287,574
Bond int.	87,133	88,000	88,000
Balance	244,510	228,254	199,574
Deprec.	100,000	100,000	100,000
Net profit	144,510	128,254	99,574
Com. divid.	85,180	85,180	85,180
Surplus	59,330	43,074	14,394
Prev. surplus ...	122,429	79,354	64,960
Balance	181,759	122,428	79,354
†Written off ...	56,546	......	......
P. & L. bal.	125,213	122,428	79,354

*After deducting all expenses for the year and providing for doubtful accounts and income tax.
†Investments to present market value.

Working Capital

	1931-32 $	1930-31 $	1929-30 $
Curr. assets	348,018	362,949	570,279
Curr. liabs.	226,877	212,396	457,053
Work. capital ...	121,141	150,553	133,226

WINNIPEG ELECTRIC ASKS TAX RELIEF

City Refusal of Offer to Sell Leads to Appeal

From Our Own Correspondent

WINNIPEG.—A private bill is to be introduced at the current session of the Manitoba legislature to relieve the Winnipeg Electric from the five per cent tax on gross earnings and from charges in connection with paving which are now payable under its contract with the city of Winnipeg. Neither in legislative nor in civic circles is the bill taken very seriously as it is considered out of the question for the government to consent to the passing of an act altering the terms of the contract against the opposition of the city.

President Anderson in a statement declared that the city's rejection of the company's offer to sell left them no alternative but to make this appeal for relief. As a gesture indicating the need of the company for consideration leading possibly to renewal of negotiations with the city on this point, it may have some effect, so far as the city council is concerned.

Seven Sisters Closed by Northwestern Power

Northwestern Power Co., controlled by Winnipeg Electric Co., has closed its plant at Seven Sisters. Production began in June, 1931, but building continued as it was intended to have 42,000 horsepower available by January, 1932. The ultimate designed capacity is 225,000 horsepower.

Closure of the Pine Falls mills of Abitibi Power & Paper Co. is understood to be a major reason for the decision to close down this development. The company has $10,000,000 of Series "A" first mortgage bonds due 1960 outstanding, unconditionally guaranteed as to principal and interest by Winnipeg Electric Co.

85 NEW INDUSTRIES ADDED IN 3 YEARS

Toronto Industrial Commission Report 10 in Operation Since Jan. 1

Eighty-five new industries have been established in the Toronto district during the past three years, each year having shown an increase on the preceding one, according to a report issued by the Toronto Industrial Commission which recently celebrated its third anniversary. Ten of the new plants have commenced activities during the first eleven weeks of the present year.

Of the total, 76 have been established within Toronto and 9 in neighboring industrial suburbs. In regard to the origin of the new industries, 79 are off-shoots of United States' firms, 5 originated in other points in Canada, and one in Great Britain. In the majority of cases they are operating as new companies, either subsidiary to or affiliated with the parent organizations, while a few represent new manufacturing activities by subsidiary companies previously existing as selling and distributing branches.

Together, the new industries occupy more than 830,000 square feet of floor space, have invested in plant and equipment over $3,000,000 and are directly employing nearly 1,700 people. In the Dominion there is now approximately 1½ billion dollars invested by the U. S. in Canadian branch manufacturing enterprises. Of the total of business capital employed 65 per cent is Canadian, 21 per cent American and the remainder from Great Britain and other countries.

The Bank of Montreal announces that the branch at Armstrong, B.C., will be closed on March 31. All accounts, unless otherwise instructed, will be transferred to the local branch of the Canadian Bank of Commerce.

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CONSOLIDATED BALANCE SHEET
OTTAWA LIGHT HEAT AND POWER COMPANY, LIMITED
and Subsidiary Companies
THE OTTAWA ELECTRIC COMPANY and THE OTTAWA GAS COMPANY
as at 31st December, 1931

ASSETS

FIXED:			
Property, Plant and Equipment			$12,401,466.08
CURRENT:			
Cash		$ 104,548.36	
Investments (Approximate Market Value $101,765.00)		116,216.37	
Accounts and Bills Receivable		516,069.74	
Inventories		203,820.59	
			940,655.06
DEFERRED CHARGES:			
Premium on Redemption of Bonds and Financing Expenses		426,299.10	
Sundry expenses applicable to future operations		19,331.57	
			445,630.67
			$13,787,751.81

LIABILITIES

FUNDED DEBT:			
Ottawa Light, Heat and Power Co. Ltd. 5% Refunding and Collateral Trust Sinking Fund Gold Bonds, Series "A" due 1957—Authorized $6,000,000.00 Issued	$4,225,000.00		
Less: Retired by Sinking Fund ...	148,500.00		
		$4,076,500.00	
The Ottawa Electric Company 5% Refunding and First Mortgage Gold Bonds due 1933—Issued		625,000.00	
The Ottawa Gas Company 5% First Mortgage Consolidated Gold Bonds due 1934—Issued		150,000.00	
			$4,851,500.00
CURRENT:			
Accounts Payable and Accrued Liabilities		134,380.42	
Dividends Payable 1st January, 1932			
Preferred Stock	24,375.00		
Common Stock	52,500.00		
		76,875.00	
Accrued Bond Interest		57,310.41	
			268,565.83
CAPITAL STOCK—Authorized $10,000,000.00.			
Issued:			
6½% Cumulative Redeemable Preferred Stock 15,000 Shares at $100.00 each		1,500,000.00	
Common Stock 35,000 Shares at $100.00 each		3,500,000.00	
			5,000,000.00
RESERVES:			
Capital Reserve		1,500,000.00	
General Reserve		670,000.00	
Reserve for Depreciation		1,146,500.44	
Reserve for Bad and Doubtful Debts		61,050.74	
			3,377,551.18
SURPLUS			290,134.80
			$13,787,751.81

CONTINGENT LIABILITY
Judgment in action for damages (in Appeal) $3,000.00.

Approved on behalf of the Board.
L. N. POULIN (Director)
W. C. PITFIELD (Director)

Audited and certified, in accordance with our attached Certificate.

P. S. ROSS & SONS,
CUNNINGHAM & CO.,
Chartered Accountants,
Ottawa, 8th February, 1932.

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Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Public is Always Wrong Says Book on Speculation

Margin Speculators as Rule Are Herded by Expert Tactics of Powerful Pools, Say Authors—Investor Should Discount Propaganda

New investors who read "How Shrewd Speculators Win. A Guide to Behavior When the Market Rises," by Fred C. Kelly and Sullivan Burgess (George J. McLeod, Ltd., Toronto. $1.25) will learn how easily they can go astray if they try short cuts to wealth by means of margin speculation. This book telling how shrewd speculators win has as major premise that most speculators lose and must necessarily lose, that the general public is always wrong and must necessarily be always wrong because they are being herded both to buy and to sell as interests of powerful groups dictate.

The way to success, according to these authors, is to realize that it is fatal to success to follow blindly the crowd, that one must be cautious and fearful when most inclined to hope and able to exhibit courage when scared. Powerful interests, they urge, with knowledge not known to the crowd, buy when a stock is low and make it a point of unloading on the public when prices are high. Then they abandon the stock in question for some other stock which is capable of manipulation in the same manner.

Cat and Mouse Tactics

Speculators, to be successful, must make a close analysis of the behavior of active stocks and guide their own buying on the results of these studies. They take great risks at all times when buying on margin because in the period of accumulation a small but powerful pool will give a stock a dozen false starts upward by buying and drive the stock back by sales until their accumulation is complete. Then, in the next period of awakening public interest the pool will rush a stock up by active buying, allow it to fall, catch it again and shove it higher, and by these cat and mouse tactics draw general attention of the speculatively minded. When the speculative tide becomes vigorous and the stock is brought to a high point which the pool has had in view, the managers of the pool will begin to unload, helped in selling by some wonderful piece of news which is true and which has been known to the inside group long before the public gets an inkling. Sometimes in a bull market the public carries the stock still higher, but the pool has got what it thinks is a safe profit and gets out as a rule. This unloading on good news always perplexes the public which cannot understand why a stock should drop on good news.

While all experienced observers advise the new investor against entering this risky game, a study of speculative methods would not be amiss as an aid to prevent him going astray in his investment buying and selling. There are times when the investor should sell as well as the speculator.

Speculative Lessons For Investors

The investor has already learned in the last two years that in a major decline all stocks go down, gilt edge stocks among the rest. He is told in this book that one of the most common and most fatal mistakes of speculators is to buy more and more stock at lower prices, believing that each new low just means a new bargain. The speculator is also advised never to have complete confidence in the infallibility of a source of information even though it comes from high places and never to risk everything on a speculation. He is advised as well to seek advice about selling from a different source than the one that advised the buying and to remember, in buying a stock, that it is always easier to buy than to sell.

The man with ready money never needs to be hurried as there is always some other stock coming along forever and ever to be bought. He is advised as well never to buy anything until the whole market has demonstrated its ability to ignore bad news. He is advised to sell after a stock gets wide public interest, that is, after it is well distributed because then it is technically weak through too many marginal accounts being concerned. Pools are interested only in making money for those in the pool and do not want to spend their money driving stocks higher for the benefit of the general public to take profits.

New Stocks Will Lead

To some extent certain sound principles guide the successful speculator (a rare animal these days) and the successful investor alike. The successful speculator will expect to find prominent in the next bull market stocks of companies which figured indifferently in the last. It will be remembered that during the boom days of the 20's there were companies which steadily declined in earnings because of over-development during the war days. The brilliant performers in the bull market, however, may have in many cases declining earnings because of over-development in the boom period while those poor earners of the 20's may begin to show improvement in some cases because the weak companies have been eliminated through receiverships and bankruptcies and the unwillingness of bankers to finance competing companies, the strong companies being now in a position to advance. Lots of bankruptcies in an industry may be the preliminary for better times for the surviving companies.

The successful speculator cuts losses and lets profits run to the point which he thinks is reasonable. The unsuccessful speculator and too many investors do the opposite; they do hold stocks when advancing out of fear that they may miss the top of the market but they will not sell on recessions or at a loss because they hope for another upward move to restore profits or wipe out losses.

Value of Safety Emphasized

The best lesson which the new investor can get from all this is to buy securities which give a reasonable yield at the market price and which by reason of record and present and prospective earnings can be expected to keep up this yield or even to surpass it. He should not be deluded into buying a stock active and very high in 1929 merely because it is low now nor refuse another because it is compartively high. The high-priced stock might in many cases be the best and cheapest purchase for him. If steady income and possibility of advance are both present in a security it will give him what he most wants, security; If he seeks the appreciation which the speculator desires he may find himself a loser along with the 98 per cent of margin speculators who lose rather than among the 2 per cent who gain. If a price goes higher than he considers reasonable why should he not sell? If it goes higher still it should not worry him that the purchaser from himself should also have a chance of profit.

The publisher informs The Financial Post that Sullivan Burgess, one of the authors of this book, was short of the market in the crash of October, 1929. He sold New York Central at within ¼ of the high for the bull market. He has been living ever since off the market and is one of the few who have done so. The fact that he is so much an exception is in itself a valuable thing for the investor to know because it will confirm him in his belief as to advisability of sticking close to sound investment principles in his own programme.

The other author, Fred C. Kelly, played the market on paper for ten years before he risked any money. He found tips on price movements almost invariably wrong in the end. His market profits in his policy of going against the stream he used to buy farmland and woodlands because he likes scenery and country life. So he has never had more at risk than he could afford to lose in the market.

Business Woman's Holdings

Would you be good enough to give me your opinion of the securities listed below.

I am a middle aged business woman still earning. I purchased these stocks prior to the break of 1929 at the prices named after each and would be glad to know if you consider them worth holding for better times.

48 shares Brazilian bought at $67.

25 shares Nickel bought at $49.

20 shares C. P. R. bought at $62.50. Might just as well hold until Duff report issued—likely to be favorable.

10 shares Standard Oil of N. J. bought at $52.50.

6 shares Shawinigan bought at $50. is over-the-counter, $20.

Brazilian Traction is a company, financially strong, operating in Brazil through subsidiaries various public utility and power services. Earnings in dollars have been declining in 1931 and 1932 to date. Management is good and prospects over the long view are promising. From the standpoint of the Canadian investor hope must lie in a return of better business to Brazil sufficient to enable governments to meet their obligations abroad and to improve value of the milreis. No one can say if this is a matter of months or years at the moment, but great improvement is not expected in 1932.

International Nickel awaits a higher level of world business. Nickel sales rise or fall with general activity of construction, steel and other heavy industries, and copper prices cannot improve until present large surpluses have been absorbed and consumption increases.

You might just as well hold your C. P. R. common stock until the Duff report is issued in case this opens the way, partially at least, to meeting present railway difficulties. Shawinigan has had in the past an excellent record but earnings in the future are not as easy to estimate because of the apparent surplus of power to be made available by various enterprises, in the next few years, power for which there may not be an immediate outlet in industry.

King Edward Hotel

What are the future prospects as to safety of King Edward Hotel 6 per cent bonds?

King Edward Hotel Co. has made drastic economies but needs about 25 per cent more business to resume payment on all its securities. The hope of a holder for greater security of these bonds must rest in the return of active business which generally gives this hotel company a much larger percentage of occupancy.

Palace Pier

I would appreciate any facts you can furnish as to the present status of the Provincial Improvement Corp. Ltd., Toronto, operators of "The Palace Pier," Sunnyside.

Have dividends ever been paid on the stock and is it known what percentage of the funds subscribed to their stock issue ultimately reach the treasury of the concern?

No dividends have yet been paid on the stock. No financial statement has been issued to shareholders nor any statement which would show the percentage of the funds subscribed which ultimately reach the treasury of the concern. Such a computation would be difficult to make until all expenditures are made.

The company informs us that all the heavy work of the first unit has been completed and that about seven weeks are needed to clean up and get the first unit in readiness for operation. Officers will not say when operations will begin as this will be determined by the conclusion of the court case between the company and the highways department of the Ontario Government. The highways department is alleged to have made elevation of the road higher than what it had first told the Palace Pier people and this will mean greater expenditures for the Palace Pier people for which they desire damages. In the meantime, the latter claim that they have no bank loans or bonds outstanding, no preferred shares and no creditors of any kind. They are still owed about $75,000 on stock sold.

They claim to have already made tentative arrangements as to sale of concessions.

There is no experience by which one can judge the probable financial success when open.

Newsprint Company Stocks

What do you think of prospects for Abitibi and Fraser Co's common stocks?

Immediate difficulties of companies in the newsprint industry are too great for me to pass an opinion on future possibilities of common stocks. If any company fails, that means good-bye to its common stock. All of the newsprint companies that can stand the gaff during the next few years might conceivably have improving conditions again. It is not a matter subject to prediction as to individual companies but rather a case where a person must watch the progress from month to month of demand for newsprint. No price appreciation of the products of the company can be expected until most of the lower cost companies with modern equipment in Canada are running close to capacity. With costs cut to the bone, however, an improvement in the profits position might come with increasing demand. The first duty of the companies is to make all possible economies.

Those companies with power resources have a second string to their bow but it will take time to work out all the projects now being driven forward to completion or under consideration.

Tip Top Tailors

Do you consider Tip Top Tailors preferred stock a safe investment for me to make? I have no money to lose.

The financial statement of Tip Top Tailors, Ltd., for the year ending January 2, 1932, showed earnings, after depreciation and taxes, of $106,122 available for preferred dividends as compared with $249,040 for the preceding year. The amount necessary for dividends is $94,637 so that it has been covered in both these years.

V. Dunkelman, president, in report to shareholders expressed the opinion that preferred dividends could be covered in the current year if present volume of business could be maintained. The last two years have been very difficult years for companies in the clothing business and a declining volume of sales has been in evidence. No doubt a turn of the wheel toward prosperity would be helpful to such companies. Until that is in evidence no one would be wise in saying that the preferred stock is a safe investment for one who has no money to lose even though past records of the company and present management might lead one to have considerable confidence in the speculative position.

The company had a fair working capital position, total current assets being $1,213,542 against current liabilities of $752,267. A year earlier total current assets were $1,469,658 and current liabilities $997,055. Secured bank loans were shown at $120,250 and other loans at $31,860 as compared with the situation a year earlier when secured bank loan stood at $50,000 and other loans at $200,000. That would indicate a reduction of such liabilities by about $100,000.

Inventories are down somewhat. The position of the preferred from the investment point of view will be improved when current assets, with cash and liquid assets are more than twice liabilities with bank loans entirely paid off. However, the position is good compared with that of many other companies in the business.

Massey-Harris

I would like your opinion on Massey-Harris shares common stock. I purchased 50 shares at $3.75 and 50 shares at $5.75. Would you advise holding them, and do you think there is a possibility of the shares going up?

You ask if there is a possibility at the annual meeting of Massey-Harris common shares going up in price. The president stated that there is no one connected with the organization who is not confident that there will be ultimate recovery of this business. Naturally this cannot occur until the present very low level of purchasing power among farmers in most districts of Canada and in most countries of the world has changed for the better. The statistical position of wheat apparently is better than it has been for two years but the recovery in prices hoped for may not be enough to effect a recovery in volume of implement purchases.

The company's first problems are to collect its huge totals of accounts receivable and to sell the large inventories on hand. It has had, when the conditions are considered, considerable success in the last year in selling or writing down its inventories and accounts and bills receivable sharply. With common prices so low where shareholders of the company have not much to lose if they were to lose their whole investment as a large recovery of purchasing power by farmers in the next five years if it occurred, would be distinctly beneficial.

Sterling Coal

Please be good enough to give me data as to the financial position of the Sterling Coal. What are their incumbrances and especially their outstanding bond indebtedness. Why is their stock low on the market—50c per share? Do you feel that it would be a safe buy at 50c per share.

I would also be glad to have the financial position of the United Fuels. What is the capitalization of these companies? What are total assets and who are the parent companies of these incorporations?

Sterling Coal Co. incorporated under Dominion laws in 1910, owns the Allied Coal Co. and the Melrose Coal Co., the latter operating a coal mine in West Virginia and the latter not operating at the present time. The company also owns the Conger Lehigh Coal Co., which carries on a coal, coke, gasoline and fuel oil business in Toronto.

The company had outstanding, on March 31, $746,600 of 6 per cent first mortgage bonds due 1940 and this was the sole obligation before the $2,500,000 of common stocks of $100 par value. In the year ending March 31, 1931, the company fell $19,312 short of paying out of earnings, bond interest of $44,796. The balance carried forward of accumulated profits over a great many years was therefore $362,500 on April 1, 1931.

There were likewise losses in the fiscal years ending March 31, 1929, and March 31, 1930, as well. As a result of comparatively small losses like this in one year after another the company's surplus has gradually dropped from $460,000 in 1925 to the present figure, or a drop of about $100,000. The company paid $100,000 in dividends in 1925, 1926 and 1927 each and $25,000 in 1928. Since that time there have been no dividends paid.

You want to know the present situation as it bears in your query whether or not the stock is a safe buy at 50 cents a share. The company has not been able to earn or pay dividends since 1928. There has been a large overproduction of coal in United States, accompanied by a lessened demand running to the individual companies. There has been intense competition also in sales both in Canada and United States. The company has a fuel and coal department as well. The mild winter in 1931-1932 would work against profits in the coal business. The company has a good directorate and management.

Working capital is not very strong, current assets of $794,129 being only 1.45 times current liabilities, leaving working capital at $247,106. The company has no banking indebtedness.

You ask the capitalization of United Fuel Investments. That company has outstanding funded indebtedness of $3,206,300 of which $1,385,800 is against the Hamilton By-product Coke Ovens and $1,820,500 against United Gas and Fuel Co. of Hamilton. The capital stock consists of $9,000,000 of 6 per cent cumulative redeemable preferred shares and 100,000 shares no par value common. The company has current liabilities of $3,352,530 and current assets of $1,151,995. Bank loans of $2,923,800 make up the major portion of the current liabilities. The company is controlled by Union Gas Company.

Industrial Mortgage

I would be pleased if you would give me information about Industrial Mortgage & Savings Co.

Industrial Mortgage & Savings Co. of Sarnia became Industrial Mortgage and Trust Company in 1928. To the end of 1930 for many years this company earned from 11 to 12½ per cent, and since 1925 paid a dividend of 9 per cent plus a bonus of 1 per cent. In 1930 it earned 11 per cent on its stock, but in 1931 the earnings were down to $9.15 a share and $9 a share was paid, leaving out the bonus payment of 1 per cent.

Associated Breweries

I would appreciate your opinion on Associated Breweries Com.

Is it good from an investment standpoint and for appreciation? Do you think that it can maintain the present dividend rate? What is the par value and do you think it is a good investment at the present price (about 6)?

Although Associated Breweries of Canada has been able to earn the preferred dividend many times over during the last three years, the position with regard to common is not so plain. The company earned $1.50 in the five months ending December 31, 1928, and paid 25 cents, $3.26 in 1929 and paid $1.75 and earned $1.89 in 1930 and paid $1.75. Working capital is apparently quite strong, but purchasing power in the company's field has been considerably reduced in 1931 and apparently this will continue in 1932. The company is now paying dividends at the rate of 60 cents a share. It is expected that the company will market beer from a new brewery by July of this year in British Columbia.

Investors' Syndicate

I took out a policy for $10,000 with Investors Syndicate about a year ago, and am just wondering as to the security of it, having in view so many failures in the United States among financial houses and banks. Please advise me if you would recommend continuing the above policy. What happens if a policyholder has to cease paying?

The contract—it is not a policy—which you have with Investors Syndicate will explain to you exactly what you can draw out at the end of each year if you abandon the contract. You would not get your principal put in the first five years and have to carry it to maturity to draw all benefits. The 38th annual statement of the condition of the company shows that at the end of 1931 the total assets of the company amounted to $46,646,219 made up as follows:

Cash, $712,572; bonds and securities, $4,156,841; first mortgage loans, $34,310,119; loans on certificates, $3,094,410; real estate at current appraisals, $2,453,881; real estate contracts of sale, $1,222,329; accounts receivable, $591,017; furniture and fixtures, $72,175; other assets, $32,873.

The first charge against three assets of $46,646,219 is certificate cash surrender values amounting to $32,983,025. There is a contingent liability reserve as well of $6,388,866 set aside to meet additions to cash surrender values. An amount of $277,942 is set aside for taxes, reinstatement of certificates and other accruals. Other current liabilities, such as balances due on mortgages not fully funded and other current items payable, are shown at $373,274. Another liability for first mortgage loans sold to Investors Syndicate Title & Guaranty Co. of New York, a wholly-owned subsidiary with the company's endorsement, is $430,433. Total liabilities, therefore, amount to $40,453,540.

This permits a certificate reserve of $4,690,578 which the company refers to as added assurance and as a guarantee of the payment of certificates as they become due." Capital and surplus are shown on the balance sheet at $1,302,100, making a total capital, surplus and reserve of $6,129,678. During 1931 Investors Syndicate paid to its certificate holders maturities totalling $3,699,546.

International Utilities

I have 40 shares of International Utilities B stock. I have also 10 shares of International Nickel and am thinking of changing into Imperial Oil or B. A. Oil. Should I change my International Utilities "B" into the "A" stock of the company, which I understand will be called at 60 shortly. Is the "A" stock paying a dividend and why has it dropped so low? Is the company safe?

Do you thnk Home Oil will ever come back again? I see it is paying no dividend. I am a woman subscriber.

Market prices have dropped so low on International Utilities "A" stock because the dividend has been dropped. We think it entirely unlikely that the "A" stock would be called at 60 when it can be picked up on the open market from 6½ to 8. The company has recently completed some very large transactions and amalgamations with other companies. It will take some time for consolidation of the affairs of the new companies so that the exact position of International Utilities can be made clear. The annual report reviewed elsewhere in this issue shows large losses in market values on securities held and still larger write-offs to depreciation reserves for stocks of companies controlled. Some subsidiaries of American Equities recently acquired are operating under receiverships. Dropping returns from other subsidiaries is also noted, and for the time at least this made advisable the dropping of dividends on the "A" stock. It is true that dividends will have to be paid on the "A" stock before the "B" stock, until the company makes another statement it will be hard to estimate possibilities. It may take years to work out the complicated situation now set up and much will depend on the general level of business in the districts where subsidiaries operate. The Financial Post does not advise on switches. In this particular case it would be difficult for us to say whether business recovery when it comes will prove best for International Nickel, Imperial Oil or British American Oil. It is patent, however, that the two oil companies have maintained dividends throughout the period of depression and the drop in total business done has been comparatively small in comparison with that of International Nickel Co. On the other hand, a return of prolonged business activity, and especially of construction activity, would have a secondary and very beneficial effect on the demand for nickel, copper and other metals. Having gone down further than the other companies, International Nickel may also be able to recover much greater ground. The point is, when will this business activity come, and will the improvement be of such a character that it will pay you to sacrifice dividends in the meantime?

The conservation plan limiting production in Turner Valley defers hope of a dividend on Home Oil in the near future.

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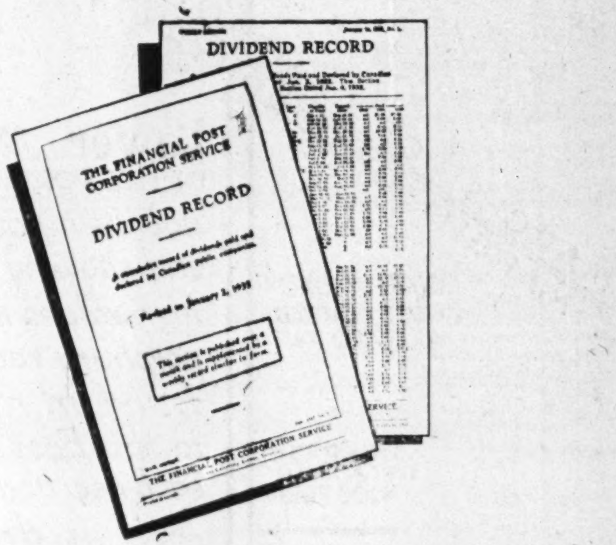

A Cumulative Record of Dividends Paid and Declared by Canadian Companies

Realizing the need for a ready reference on dividend payments, The Financial Post Corporation Service has compiled a Dividend Record which covers listed and unlisted Canadian companies and foreign companies whose securities are listed in Canada. This valuable record, covering over 500 companies, is now available.

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Rate being paid / Record date / Amount of last payment
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The complete record comprises two sections. The main section (green) is cumulative and is revised once a month. Throughout the month, weekly sections (white) are issued to supplement the main section. The weekly sections are cumulative also, so that at any time it is necessary to refer only to the latest green and the latest white section.

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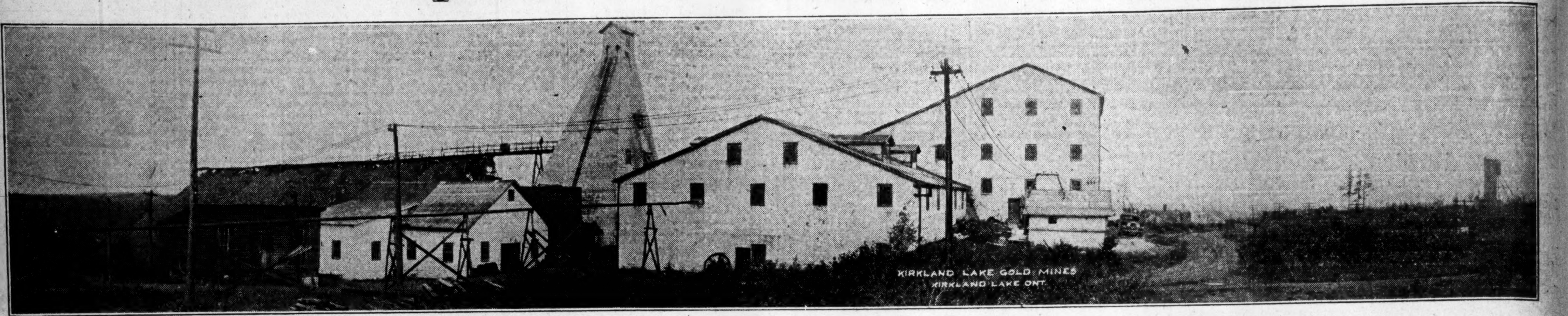
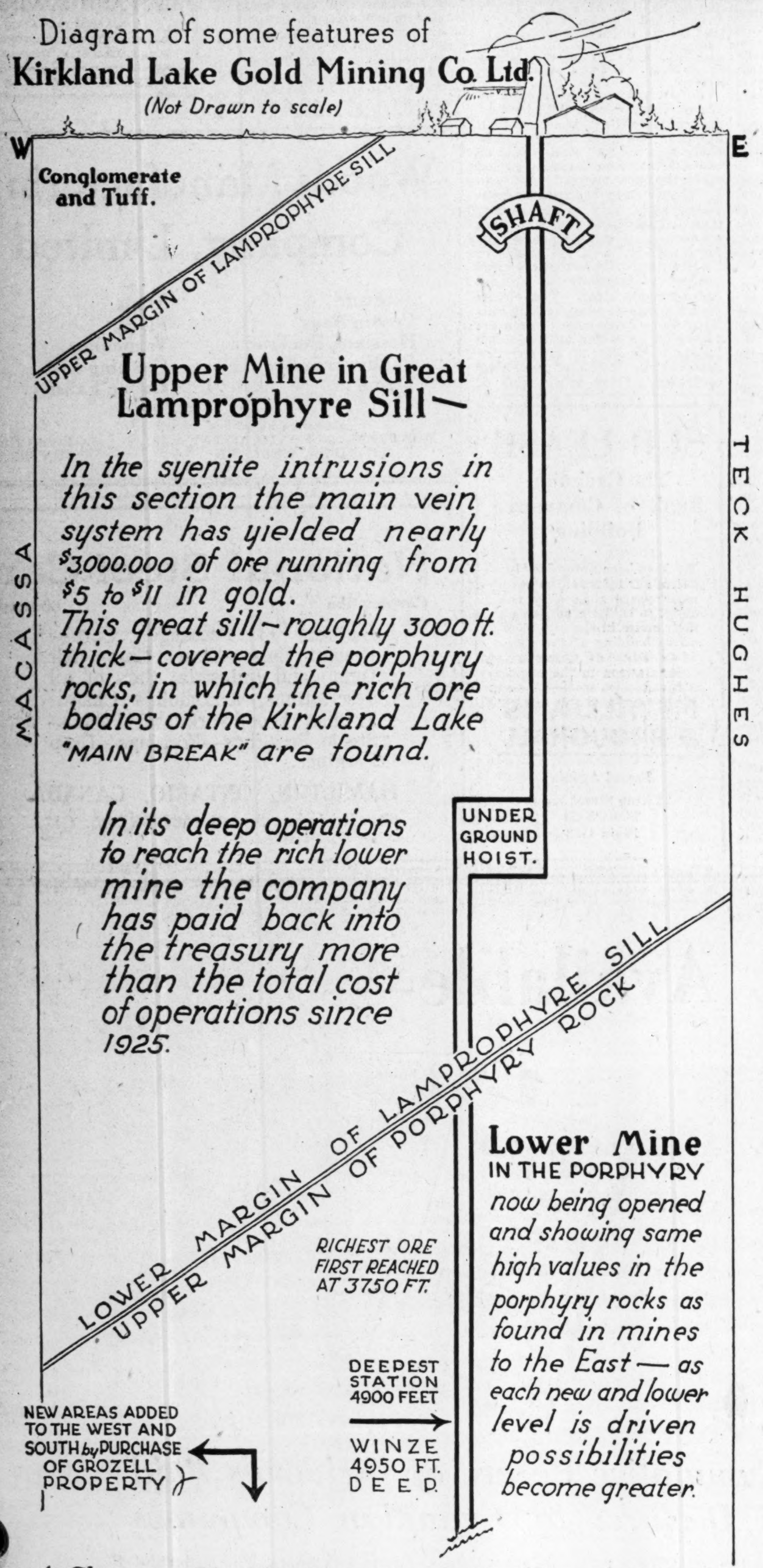
A Pictorial Description of the Kirkland Lake Gold Mining Co.


KIRKLAND LAKE GOLD MINES
KIRKLAND LAKE ONT.

A view of the surface mining plant, shaft house and mill at Kirkland Lake Gold Mining Co.

Diagram of some features of
Kirkland Lake Gold Mining Co. Ltd.
(Not Drawn to scale)


W
E
Conglomerate and Tuff.
UPPER MARGIN OF LAMPROPHYRE SILL
SHAFT
MACASSA
TECK HUGHES
UNDER GROUND HOIST.
LOWER MARGIN OF LAMPROPHYRE SILL
UPPER MARGIN OF PORPHYRY ROCK
RICHEST ORE FIRST REACHED AT 3750 FT.
DEEPEST STATION 4900 FEET
WINZE 4950 FT. DEEP.
NEW AREAS ADDED TO THE WEST AND SOUTH by PURCHASE OF GROZELL PROPERTY

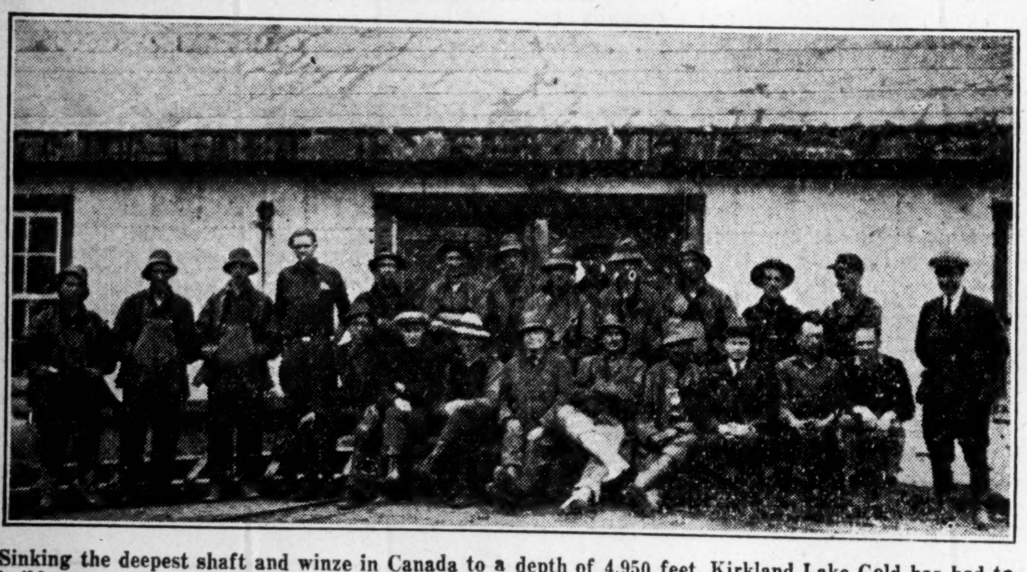
Upper Mine in Great Lamprophyre Sill—

In the syenite intrusions in this section the main vein system has yielded nearly $3000.000 of ore running from $5 to $11 in gold. This great sill—roughly 3000 ft. thick—covered the porphyry rocks, in which the rich ore bodies of the Kirkland Lake "MAIN BREAK" are found.

In its deep operations to reach the rich lower mine the company has paid back into the treasury more than the total cost of operations since 1925.

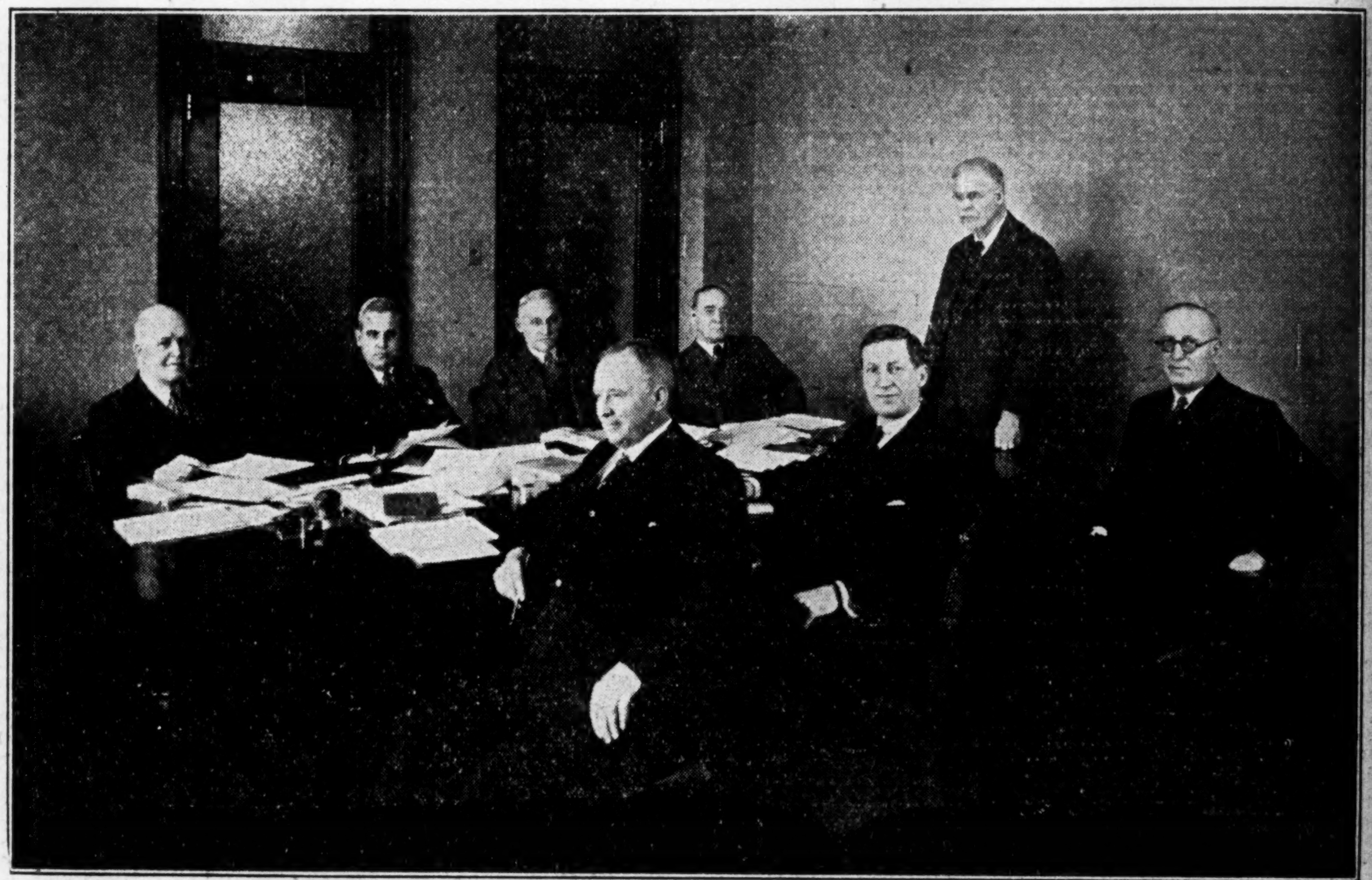
Lower Mine
IN THE PORPHYRY
now being opened and showing same high values in the porphyry rocks as found in mines to the East — as each new and lower level is driven possibilities become greater.

A Champion Shaft Sinking Crew at Kirkland Lake Gold.



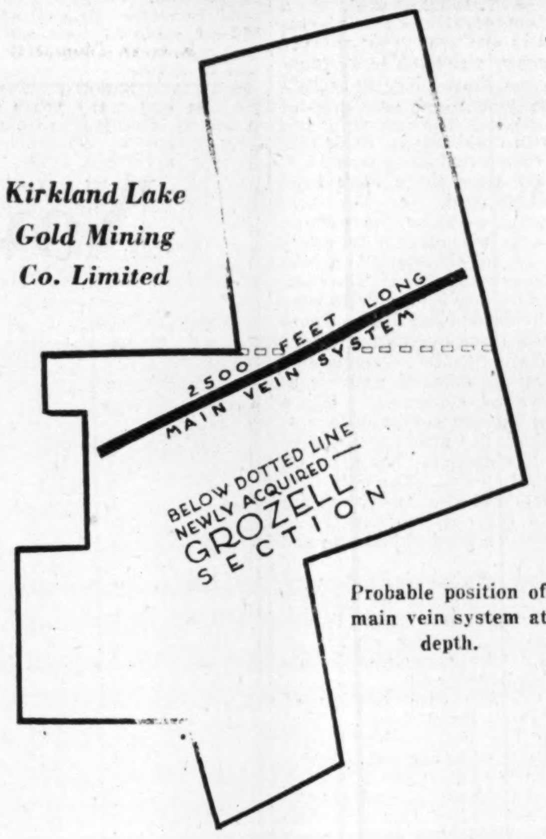
Sinking the deepest shaft and winze in Canada to a depth of 4,950 feet, Kirkland Lake Gold has had to build up a staff of crack shaft men over a period of years and these have held together over long periods. Their work has been remarkable in a country where shaft sinking has become a highly developed undertaking. Not only speed but safety as well has marked the work of these deep rock miners who have played such a part in carrying Canada's gold development to unusual depths. Mine Manager Wm. Sixt is seen at the extreme right of the above group. Photos by courtesy of the Publicity Dept. of the Canadian Ingersoll-Rand Co. Limited.

The Board of Directors of Kirkland Lake Gold Mining Co. Limitea



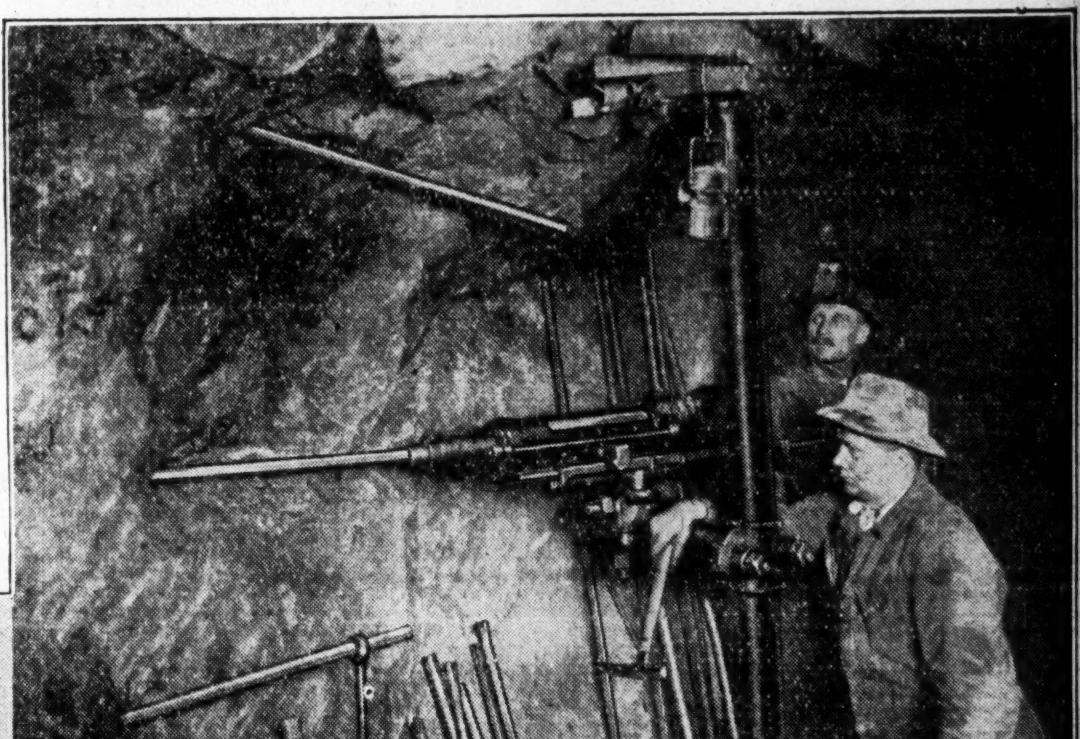
The President and Managing Director, J. B. Tyrrell, LL.D., M.I.M.M., stands at the head of the table. Behind the table, from right to left, are J. C. Haight, Waterloo, Ont.; William Sixt, M.E., mine manager; A. C. Matthews, Toronto, and R. Graham, secretary. At the front of the table are J. A. Dalton, Kingston, Ont.; R. G. O. Thomson, vice-president, Toronto, Ont., and A. M. McQueen, Toronto. The picture was taken at a recent meeting at the head office of the company in the Canadian Bank of Commerce Building.

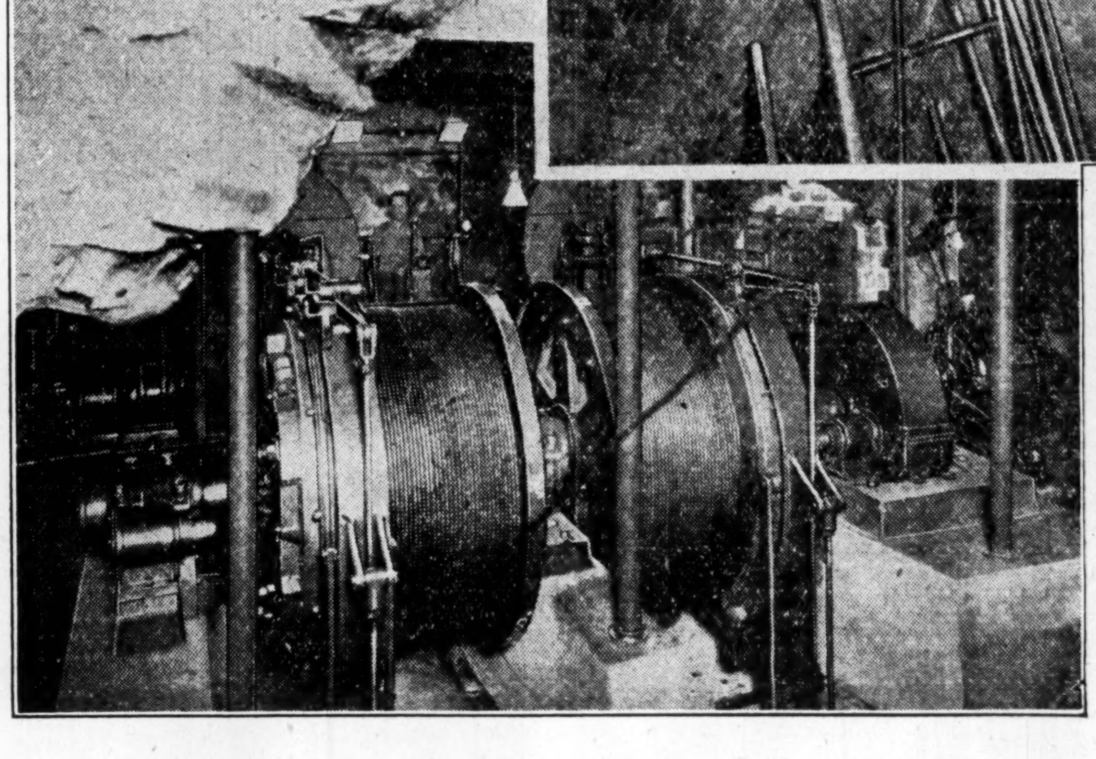
Kirkland Lake Gold Mining Co. Limited


2500 FEET LONG
MAIN VEIN SYSTEM
BELOW DOTTED LINE
NEWLY ACQUIRED—
GROZELL
SECTION

Probable position of main vein system at depth.

Underground Scenes at Kirklana Lake Gold Mine





Above—This picture shows drifter drill at work on the 3,225-foot level at the mine. The man in the foreground is Mine Captain Harris, with Joe Bridle, a record breaking drill runner, at the throttle.

Left—The hoisting plant far below surface. Picture shows Canadian Ingersoll-Rand Electric Hoist installed in the solid rock on the 2,475-foot level of the Kirkland Lake Gold Mine. This hoist has a capacity of 12,000 pounds rope pull at a rope speed of 1,500 feet per minute. The hoist was so designed that all parts except the drum shaft could be handled in a mine cage measuring 2 feet 9 inches by 6 feet. The drum shaft itself was lowered under the cage. With this hoist operations have been carried to a depth of 4,950 feet. Photos are by courtesy of the Publicity Department of the Canadian Ingersoll-Rand Co. Limited.

Head Office:
TORONTO, ONT.

KIRKLAND LAKE GOLD MINING COMPANY, LIMITED

Mining Properties:
KIRKLAND LAKE, ONT.

Hope Kirkland Lake Gold Will Prove Big Producer At Depth

Annual Report Records 1931 Year of Progress For Kirkland Lake Gold

New Deep Levels Give Reason to Hope For Future

RECORD OUTPUT

Greater Tonnage, Higher Grade Ore, Lower Costs, More Cash, Highlights of 1931

The year ending December 31, 1931, was a notable one in the history of Kirkland Lake Gold Mining Co., to judge by the events reviewed in the annual statement to shareholders made by Dr. J. B. Tyrrell, M.I.M.M., president and managing director of the company.

The company reached a conclusion in its long-drawn effort to get beneath the great lamprophyre sill and into the porphyry out of which has come the greater part of the gold of Kirkland Lake.

While proceeding with this work it produced more gold than during any other year in its history, and also mined a higher grade of ore.

By acquiring control of the Grozell-Kirkland Gold Mines the company substantially enlarged its possibilities at depth and the scope of operations.

The company, in alliance with other interests, incorporated the Kirkland Basin Gold Mines, Ltd., the property of which embraces a part of the bed of Kirkland Lake and such tailings as are impounded in that portion of the lake, it also joined with Northern Canada Mining Corp. in an expedition to Great Bear Lake, which staked 35 claims in favorable formation.

At its 2,475 ft. level it undertook the work of driving into the property of Macassa Mining Co. to speed the development programme of that company.

Brightest Spot in Gloom

The report of Dr. Tyrrell to his shareholders is as follows:

The general financial and industrial conditions prevailing throughout the year were difficult and oppressing and it remained for the gold mining industry to furnish the brightest and most cheerful financial spot in the middle of the general industrial gloom. While the nations of the world have been going "off the gold standard," gold was the only medium of exchange that would be accepted in full settlement of debts, international and others, and therefore the Canadian gold miners can justly feel that they have been contributing no small amount to the stability of Canada's financial structure when they produced in 1931 $55,457,900 worth of gold, which was $12,003,234 more than was produced in 1930. In addition to this large supply of gold extracted from the rocks which assisted so materially in strengthening Canada's financial position, the increase in the production of gold in 1931 meant employment of more people, the purchase of more machinery, more supplies and more provisions, and meant substantial additions to the comforts of a large number of our citizens.

It is a pleasure to be able to advise you that our mine has made a substantial contribution to this gold supply. Our production was $615,882.33, and of this amount $255,383.47 was paid in wages including workmen's compensation, and at the same time we were able to add $203,050.62 to our surplus.

Deepest Mine in Canada

In the work of extracting this gold from the mine, we continued to sink from the 4,300 to the 4,750-foot levels, and in doing this as well as in continuing exploration above the 4,300-foot level, we have opened up several shoots of ore in the porphyry and associated rocks. As we are now the deepest gold mine in Canada, it might be of interest to state why we are mining at such depth.

Some years ago when we took over the management of this mine, we realized that it was located on a strong gold-bearing vein though there was no gold showing in it on the surface of the property; also that the kinds of rocks associated with the ore on the other mines on this vein would be found on our mine at greater depths than on the mines to the east of us. At that time no one had realized that the Kirkland Lake vein, of which we are speaking, which extends through several mines in a length of less than two miles, was as rich as it has since proved to be, and if anyone had then stated that it was the richest two miles of gold ever found in the world, he would have been regarded as a wild and irrational optimist. Yet if the same man were to make that statement today, he might still be regarded as an optimist but a fairly rational one. As a matter of comparison, this vein in a length of less than two miles yielded last year in gold $21,789,767, nearly double what the great Kolar vein, or group of veins, in India, over a length of about four miles, yielded in 1915 which was the most productive year of which I have been able to obtain the record, and the maximum production at Kirkland Lake has not yet been reached. The Kolar group of mines in India is probably the most nearly like the Kirkland Lake group of mines in geological age and structure of any discovered outside of Canada, and during the 50 years in which it has been operated it has yielded to 1931 a total of $351,877,000 in gold.

Ore Occurs in Lenses

Our mine occupies a very favorable position on the Kirkland Lake vein, and while we have not yet found as large ore bodies as have been found in some other sections of the vein in closely adjoining properties, we have found ore bodies that have yielded us several million dollars, and there is a good chance that, now we have entered the favorable porphyry rock, we may find an ore body, comparable in size and value to any that has been found on other portions of the vein. On this Kirkland Lake vein, just as on other mineral-bearing veins in many other parts of the world, there are rich sections and other sections that are poorer, so that the ore may he said to occur in shoots or lenses which may be very large or they may be small. As far as we know there is now just as good a reason for the occurrence of a large ore body immediately beneath us as there is for one occurring just to the east of us.

We have often been referred to as the pioneers of deep mining in Canada, and so at present we are. But it is not because we have any particular desire to bore deeply into the rocky crust of the earth. Not at all. We would rather mine at shallow depths if we could find payable ore at those depths, but when after most careful study and consideration we decided that the most favorable ore bearing rocks, in which ore would probably occur, would be found at considerable depth, we were prepared to use any ability that God had given us, and any skill that we had been able to acquire, to go down to reach those rocks and to find the ore if it was there to be found. So far, no matter what our discouragements, we have not met with any insuperable mining difficulties down to our present deepest level, and we hope and believe that no such difficulties will present themselves to us for a long time to come

Refuge Stations For Mines

During the year we drove into the adjoining property of the Teck-Hughes Mining Co. at the 3,600-ft. level a distance of 387 ft., and constructed a refuge station which can be used by the miners of either mine in case of necessity.

Also, in pursuance of arrangements made with the Macassa Mining Co., we drove a drift along the vein at the 2,475 level in the property of that company which lies to the west of us, a dstance of 1,248 ft. toward a shaft which that company is sinking.

In co-operation with Pawnee Kirkland Gold Mines, Kirkland Lake Development Co., and Messrs. A. H. Seguin and Leo Erenhous, we incorporated the Kirkland Basin Gold Mines, Limited, with 1,000,000 shares of no par value, of whch 500,000 were issued for the properties and 20,000 for sufficient funds to provide for current expenses for a year or two. We transferred to this Company Mining Claims L-2832 and L-1754 while the other parties transferred to it Mining Claims L-3301 and L-3442, all of which claims lie for the most part in the northern portion of Kirkland Lake. Stock was allotted to the original owners in proportion to the acreage of the claims, and as our claims were the largest we were allotted the majority of the issued stock

A Great Bear Expedition

We participated equally with Northern Canada Mining Corp. in sending an expedition to Great Bear Lake to secure some mining claims in favorable areas in the vicinity of that lake. Thirty-five claims were staked on either side of Echo Bay at relatively small cost, and it remains to be determined whether these have any value or not, but as they are located on the sediments and their associated porphyries, etc., and not far from the contact of the intrusive granites and are thus somewhat similar in character and situation to the original discoveries of uranium and silver ores in that district, we have hopes that they may prove to be valuable.

In the early part of the year we made arrangements with Northern Canada Mining Corp. to buy stock for us in the Grozell Kirkland Gold Mines, Limited, and if possible, to buy sufficient of the stock to give us control. It acquired a large amount of the stock, and with what it acquired during the early part of this year, it has secured for us over 50 per cent of the total issued shares of that company. Your directors considered it advisable to secure control of the Grozell Company, as it owns five mining claims, with a total of 113.6 acres, immediately south and southwest of the claims on which we are now working. These claims could not be worked independently on account of the depth at which the producing vein is likely to enter the property. Therefore, by acquiring control of the shares we have substantially enlarged the scope of future operations.

Dividends are Nearer At Kirkland Lake Gold

Dividends, the final test of a profitable mine, have been further deferred at Kirkland Lake Gold Mining Co., owing to its cash outlay in purchasing control of the Grozelle Kirkland property, to protect its vein system at depth.

With an operating profit of $227,132 in 1931, coupled with a strong liquid position, indications were that dividends were not so far away, but the new acquisition was of such importance that it was deemed advisable to obtain it while there was an opportunity to do it at a reasonable price.

Statements Show Steady Progress

Comparative Balance Sheet, As at Dec. 31

Assets	1931	1930	1929	1928	1927	1926
	$	$	$	$	$	$
Current:						
Cash	179,768	20,360	24	49,804	52,198	89,240
Bullion on hand	35,410	41,515	26,834	38,356	35,053	50,802
Bonds & accr. int. at cost	‡167,622	*140,175	*140,175	*140,175	139,209	......
Accounts receivable	8,087	905	138	1,052	939	872
Mine stores	34,889	35,592	37,073	37,575	37,205	29,732
	425,776	238,547	204,245	266,962	264,604	170,646
Deferred:						
Development account	551,103	551,103	625,594	548,452	579,728	694,178
Prepaid insurance	3,724	†3,438	3,198	3,156	3,154	2,415
Unused stock certificates	......	212	254	......	......	......
Shares in other cos. (cost)	22,557	......	......	......	......	......
Interest in Chaput-Hughes	......	......	......	1	1	1
Discount on shares	......	......	......	......	......	......
Fixed:						
Min. claims & properties	3,907,470	3,909,497	3,909,997	3,664,888	3,664,888	3,635,724
Bldgs., plant & equip't.	497,910	475,976	466,038	451,289	392,563	356,326
Deficit	......	154,310	160,320	168,939	178,168	184,382
	5,408,540	5,333,083	5,369,646	5,103,687	5,083,106	5,043,667
Liabilities						
Current:						
Bank overdraft	......	......	38,601	......	......	......
Wages payable	9,252	7,410	8,064	7,549	6,788	5,248
Accounts payable	23,052	19,711	16,927	30,848	12,324	17,165
Workmen's Compens. Board	1,374	2,027	2,095	2,373	1,077	......
Directors' fees & exp.	......	1,895	1,919	......	......	......
	33,678	31,043	67,606	40,770	20,189	22,413
Reserves:						
Depreciation	86,998	62,917	62,917	62,917	62,917	62,917
Capital stock:						
Preferred	......	......	......	......	......	986,112
Common	5,239,123	5,239,123	5,239,123	5,000,000	5,000,000	3,972,226
Surplus	48,741	......	......	......	......	......
	5,408,540	5,333,083	5,369,646	5,103,687	5,083,106	5,043,667

*Par value $135,000. †Includes $250 prepaid rent. ‡Par value $160,000.

Working Capital

	1931	1930	1929	1928	1927	1926
Current assets	425,776	238,547	204,245	266,962	264,604	170,646
Current liabilities	33,678	31,043	67,606	40,770	20,189	22,413
Working capital	392,098	207,504	136,639	226,192	244,415	148,233
Ratio	12.64—1	7.68—1	3.02—1	6.55—1	13.11—1	7.61—1

Income and Surplus Account

	1931	1930	1929	1928	1927	1926
	$	$	$	$	$	$
Bullion production	586,251	534,398	353,625	414,597	473,673	127,000
Less: Operating expense	378,408	442,783	412,303	365,037	341,249	203,098
Taxes	3,222	......	......	......	......	......
Administration	19,406	17,124	18,464	18,282	18,893	6,888
Operating earnings	185,215	74,491	*77,142	31,276	113,531	*82,986
Non-oper. income:						
Rent, int., etc.	12,285	6,010	8,618	9,229	7,129	14,110
Premium on gold	29,632	......	......	......	......	......
Net earnings	227,132	80,501	*68,524	40,505	120,660	*68,876
Less write offs:						
Development	......	74,491	†77,142	31,276	114,445	†71,870
Depreciation	24,081	......	......	......	......	......
Net profit	203,051	6,010	8,618	9,229	6,215	2,994
Previous deficit	154,310	160,320	168,938	178,167	184,382	187,377
Surplus to bal. sheet	48,741	*154,310	*160,320	*168,938	*178,167	*184,382

*Loss or deficit. †Addition to development account.

KIRKLAND LAKE ANNUAL OUTPUT THRICE KOLAR'S

Dr. J. B. Tyrrell Says Gold Output May Surpass World's Greatest

ORE BODIES ALIKE

Can Mine to 9,000 Feet at Lower Temperatures Than in India

The greatest single lode gold system in the world is probably the Kolar field in Mysore, South India.

This gold field has some points of comparison with the gold fields of Ontario. For one thing, it refutes the claim, so often heard, that it is impossible to find, outside of the South African Rand, a gold deposit which extends for miles, produces for half a century and continues to mine as deep as operations are carried.

Originally mining was carried on over a length of 2 miles on the Kolar system. Now the mines are on a stretch of four and a half miles. Their workings extend to between 7,000 and 8,000 ft. in depth.

The ore bodies are similar to those of Kirkland Lake in two respects. First, they are found in the Pre-Cambrian rocks, in conditions geologically roughly parallel to those of Kirkland Lake. Then the ore bodies pitch downward and northward along the ore zone.

Yield $350,000,000 in Gold

The Kolar mines have been operating continuously for nearly 50 years and have produced $352,000,000 in gold. This production is subject to a 5 per cent government royalty. The highest production for any one year in the Kolar fields was in 1914, when the return was $11,607,445, or not much more than half of the present production at Kirkland Lake. The Kolar production in 1930 was $6,808,800.

In a discussion as to the likelihood of Kirkland Lake becoming as great and as continuous a producer as the Kolar fields, Dr. J. B. Tyrrell stated:

"The total production of the Kirkland Lake Mines up to the present time has been about $90,000,009 and we are now up to an annual production of $20,000,000. There is every evidence that we have on the producing properties ore definitely assured for five years or $100,000,000 and this production will not have taken us down half as deep as the Kolar operations.

More Gold Than Kolar

"While Kolar has a longer system the grade is lower than that of the Kirkland Lake group of mines. We will have produced $200,000,000 before we exhaust half the depth at which they are working, and in my opinion, though our producing section is not half as long as theirs, we will produce more gold than Kolar has produced or is likely to produce before the Kirkland Lake camp is finished.

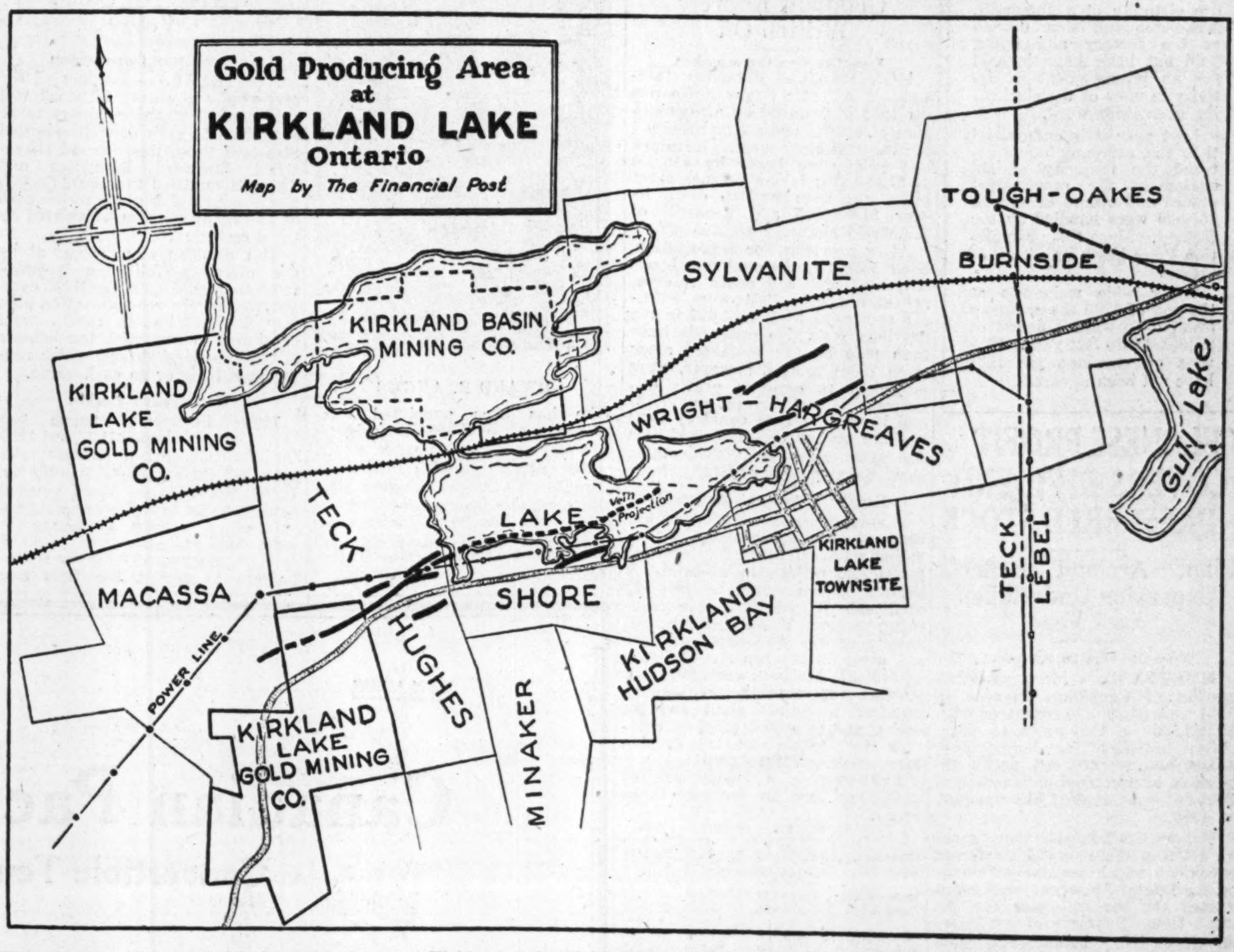
"In the Kolar fields they start with a rock temperature of 81 degrees Fahrenheit and at 7,000 ft. they have a temperature of 116 degrees. We start with a rock temperature of 36 and at 4,750 ft. the temperature is only down to 72 degrees. Before we get to 102 degrees we will be down another 4,500 ft. Therefore, the Kirkland Lake camp can mine to 9,000 ft. before it approaches the temperatures which have existed for years at the Kolar deep workings.

Can Go Twice As Deep

"Cool air can be carried to almost any depth at which it is required. A man may sit in a room with the walls at a temperature of 110 degrees, or the radiator may be much above this temperature, but the man can open the window and keep the air in the room cool. In a similar way, with proper ventilation, we can carry cool air to any depth in a mine. Mining can be carried at least twice as deep as the present lowest levels at Kirkland Lake, before the temperatures become a serious problem.

"And there is no reason why ore will not be found at depths as great and greater than those which still yield similar ore in the Kolar fields."

Kirkland Lake Gold Is Most Westerly Producer



With the acquisition of the Grozelle property, Kirkland Lake Gold Mining Co. has one of the greatest lengths in the camp, at depth, on the main break. Having regard for the westward dip of porphyry mass, Kirkland Lake Gold officials have reason to expect at depth to encounter large lenses of high-grade ore similar to those mined on the adjoining Teck-Hughes property at shallower levels.

FAITH OF FEW DECIDE FATE OF GOLD CAMP

"Impossible to Predict Future," Said Mining Men in 1923

A glance through the mining files of the last 15 years of The Financial Post reflects the story of all those mines which have now come into production, and is especially illuminating in regard to the vicissitudes of the properties at Kirkland Lake.

Early production records reveal Tough-Oakes as the bell-wether of the camp. For five years it was the only producer, although Wright-Hargreaves appears as having had a few tons of ore mined in 1913 which yielded $884 in gold and $242 in silver. This material must have been from the surface operations.

When Teck-Hughes commenced to produce in 1917 and in the next year Lake Shore, Tough-Oakes dropped out. It had served its time as a pioneer, and after disposal to the English interests, never again gave substantial returns.

What of the Future?

In 1923 The Financial Post announced that the Kirkland Lake mines had produced $7,000,000 in ten years and asked "What of the Future?" answering "It is impossible to tell." It announces the continental organization as important to the camp and also the entry of the Tonopoh Mine interests.

Few of the newspapers were paying much attention to Kirkland Lake Gold Mining, except to remark that the mine was to close down and that Teck-Hughes was likely to buy it to get a cheap mill. At this time the property had produced for four years but was heavily in debt.

A year or two later headings stated that "Another month should either break or make Kirkland Lake gold mining as a mine."

The entry of Dr. J. B. Tyrrell into the direction of the mine was hailed as a "Gamble on pure theory."

Sceptics Plentiful

Certainly many mining men and camp followers were doubtful about going deep for ore at Kirkland Lake. They were suffering from the Cobalt shallow-mining complex. One article was based on the statement "Deep mining at Kirkland Lake will hit the sceptics once again." This referred to the decision of Dr. J. B. Tyrrell that he was prepared to go to several thousand feet, if necessary, to enter the rich ore bodies of the camp.

Factions developed to be known as pro-Tyrrell and anti-Tyrrell. This contest ended in the Tyrrell group securing control not only of Kirkland Lake Gold but also of the Beaver Mines which held 1,250,000 shares of Kirkland Lake Gold. The assets of this company subsequently were purchased by the Northern Canada Mining Corp.

Production Summary Since Work Started

Year	Tons treated	Total Recovery $	Rec. per Ton $
1919	11,324	56,263	4.97
1920	40,812	286,901	7.03
1921	43,966	242,417	5.51
1922	37,489	224,396	5.99
1923	45,449	223,102	4.90
1924	8,091	46,512	5.75
1925	Nil		
1926	10,829	126,999	11.75
1927	52,648	473,673	9.00
1928	57,883	414,596	7.16
1929	53,595	352,789	5.58
1930	52,106	533,851	10.24
1931x	52,628	586,251	11.14
	466,820	3,567,750	7.64

xExcluding exchange compensation.

Kirkland Lake Gold Has Strong Board of Directors

Directors Are Well-Known Canadian Business, Financial and Mining Men — Have Touched Large Development at Many Angles

The board of directors of the Kirkland Lake Gold comprises a group of Canadian business, financial and mining men who take a keen interest in the development of the Dominion's mineral resources and support sound mining undertakings by giving time and capital to their furtherance.

All are Canadians who have wide experience in various branches of development, industry and business.

R. G. O. Thompson

R. G. O. Thompson, vice-president, has had many years experience on the boards of a large number of companies. He is vice-president and director of A. J. Mitchell & Co., Toronto, and has made a close study of the direction of companies and their administration. He has been on the board of Kirkland Lake Gold Mining for many years and is also a director of Northern Canada Mining Corp., with which Kirkland Lake Gold Mining is affiliated. Mr. Thompson is also president of the Canada Land & Investment Co., director Canadian & Foreign Securities Co., director, Canadian Western Lumber Co., director Western Canada Flour Mills Co.

A. M. McQueen

A. M. McQueen has been identified during all his business career with the oil business in Canada, and especially with the exploration side of it. He is vice-president in charge of exploration and director of Imperial Oil Ltd., and vice-president of the International Petroleum Corp., as well as chairman of the board, president and director of the Dalhousie Oil Co. Mr. McQueen has an intimate knowledge of natural resources in Canada and brings to Kirkland Lake Gold Mining an understanding of operating problems as well as field operations. He also is a director of Northern Canada Mining Corp.

Arnold C. Matthews

Arnold C. Matthews is active in a number of companies, being managing director of Canada Malting Co., director, Blue Ribbon Corp., director, Winnipeg Western Land Corp., director, Maple Leaf Milling Co., and director of Kirkland Lake Gold Mining and Northern Canada Mining Corp.

J. C. Haight, K.C.

J. C. Haight, K.C., of Waterloo, Ont., is one of the best known lawyers in Western Ontario and represents shareholders residing west of Toronto. Mr. Haight is vice-president of the Ontario Equitable Life and Accident Insurance Co., vice-president of the Merchants Casualty Insurance Co., and a director of Kirkland Lake Gold Mining and Northern Canada Mining Corporation.

J. A. Dalton

J. A. Dalton, of Kingston, Ont., is president and director of W. B. Dalton & Sons, Ltd., one of the oldest hardware companies in Ontario, which for many years has been identified with the marine hardware business at Kingston. Mr. Dalton represents the shareholders residing east of Toronto. He is a director of Kirkland Lake Gold Mining and of Northern Canada Mining Corp.

Dr. J. B. Tyrrell

The career of Dr. Tyrrell embraces a most active life as explorer, geologist and mining company executive. He graduated from Upper Canada College and Toronto University with the degree of B.A. (1885) taking his M.A. in 1889 and his B.Sc. in 1889 at Victoria University, LL.D. University of Toronto. After graduating at Toronto University he became associated with the Geological Survey of Canada. He accompanied Dr. G. M. Dawson in the exploration of the Rockies in 1883, and in 1884-86 he explored the country north of Calgary between the Bow and Saskatchewan Rivers. During 1887-89 he explored parts of northwestern Manitoba and headed an expedition into the Lake Winnipeg region in 1890-91. He followed this with an expedition into previously unexplored country southeast of Lake Athabaska in 1892.

In 1893 he crossed the Barrens from Lake Athabaska to Chesterfield, proceeding down the west coast of Hudson Bay. This trip embraces 3,200 miles, of which 1,650 miles were previously unsurveyed and unrecorded. On this occasion he walked on snow shoes from the Churchill to the north end of Lake Winnipeg, a distance of 600 miles. He again crossed the Barrens during 1894. Numerous reports were made for the Geological survey based on his observations of the country through which the expedition passed. Dr. Tyrrell left the service of the Geological Survey in 1898.

In the same year he left for the Yukon, where he participated in the activities of that rich gold field at its height, being in the service of many mining companies. He spent many years in the Yukon, returning east to engage himself in the business of a consulting geologist for Canadian and overseas interests over a period of years. During this time, he was active in every Canadian mining field.

Besides the preparation of numerous reports, Dr Tyrrell has written a number of outstanding volumes on early exploration, including "David Thomson, Explorer" and "Early History of Hudson's Bay."

Numerous honors have been conferred upon Dr. Tyrrell for his work in the field of Canadian exploration and historical research. He was awarded the Black Award by the Royal Geographical Society of London in 1918 and he was also given the Murchison Medal by the Geological Society of London in the same year as well as the Daly Gold Medal by the American Geographical Society. He is Honorary President of the Canadian Geographical Society; Fellow, the Geographical Society of London; Fellow, the Geographical Society of America; Fellow, the Royal Society of Canada; Fellow, the American Association for the Advancement of Science; Member American Institute of Mining & Metallurgy; Member, Society Economic Geologists; Member, Institute of Mining and Metallurgy, England; Honorary member, Canadian Institute of Mining and Metallurgy, and Member, Professional Engineers of Ontario.

Mr. Tyrrell is also president of Northern Canada Mining Corp., president, Kirkland Basin Gold Mines, and president, Ursa Major Mines, and vice-president, Brett-Trethewey Mines.

William Sixt

The other members of the board are William Sixt, M.E., and R. Graham. Mr. Sixt has been associated with the property almost since the commencement of operations. Mr. Sixt is also managing director of the M. & M. Exploration, president, Patricia Engineering; president, Mitchell Hardware & Supply and director, Northern Canada Mining Corp.

R. Graham

R. Graham has been secretary of Kirkland Lake Gold Mining Co. for many years. He also is secretary of Kirkland Basin Gold Mines and of Ursa Major Mines.

NEW ORE BODIES OF ENORMOUS SIZE NOW ARE SOUGHT

Mining Man Thinks Next Five Years May Transform Kirkland Lake

A mining man who has observed and studied the development of the Kirkland Lake area from the beginning states to The Financial Post that, in his opinion, the field is only now entering upon what may prove to be its greatest period of development:

"In the first years there was practically nothing about the potentialities of the camp," he stated. "We probed for ore and followed it when we found it. We came to know that there was a great break through the district, and we have taken from that section nearly $100,000,000 in gold.

"Now that Kirkland Lake Gold Mining has led the way in delving to practically a mile in depth, and now that both Kirkland Lake and other mines are acquiring or becoming interested in properties to the south, there opens up a new phase of the field's history. While shafts will continue to go down, there will be an enormous amount of horizontal exploration underground from the deep levels reached. You will see crosscuts sent out to search for ore bodies that are further south. It is a fact that mining up to the present has only been done along the footwall side of the great fault. When I refer to this great fault I do not mean simply the main break. There is another wall to this fault which is much farther south.

"At the present time, also, there is a spirit in the air favoring co-operative mining. Macassa is developing through the underground operations of Kirkland Lake Gold Mining. Lake Shore is also exploring the Hudson Bay property from underground.

GROZELLE INTERESTING

"You will see much underground development on the Grozelle section of Kirkland Lake, for this property is a most interesting one on its own merits. Of course, it benefitted from the work of Kirkland Lake Gold Mining as have all the mines in the field.

"Before five years have passed there will be a new Kirkland Lake. When operations to the south have got beneath the sediments ,and into the porphyrys, it is possible that enormous new ore bodies may be found. No one can say this with certainty, but we know the porphyrys outcrop to the south and that when one gets gold in this rock it usually makes for ore.

"In any event we are into a new chapter of the field's history. There will be developments underground of which we did not dream five years ago."

Know Their Mining

Intelligent attention to gold mining companies, rather than casual attention to the "street" reports always in circulation, is usually a factor in the make-up of the men and women who have followed the fortunes of Ontario gold mines to their own benefit.

An American authority has stated that Canadians are the most sophisticated investors in the world.

Probable Temperature 77 Degrees at 6,000 Ft.

To test rock temperatures at depth, the Ontario Department of Mines has purchased an electrical resistance thermometer which promises to be of value, particularly in the deep workings of Kirkland Lake Gold Mining Co.

Tests conducted at Kirkland Lake indicate that the temperature of the rock rises one degree for every 163.4 feet in depth. At 2,950 feet the temperature was shown to be 69 degrees Fahrenheit. This would indicate that at a depth of 6,000 feet a rock temperature of 77 degrees Fahrenheit could be reached and at 9,000 feet it would increase to 96 degrees.

STRONG SUPPORT OF SHAREHOLDERS HELPS TYRRELL

Mine More Than $500,000 in Debt When Taken Over

TURNING POINT

New Capital and Deep Mining Put New Life in Camp's First Property

Although it did not produce gold for some years after organization, Kirkland Lake Gold Mining Co. was the first company in the Kirkland Lake camp to be incorporated. This was in February, 1913. The company was formed to acquire the McKane claim on the west end of the main vein system. The vein outcropped on this property but there was no commercial ore found on surface, one little spot of gold being the sole indication of its precious metal content lower down.

Tough-Oakes, at the other end of the camp, was just getting under way at this time, and the prospectors were busy at Wright-Hargreaves, Lake Shore and Teck-Hughes.

Beaver Makes a Start

Beaver, one of the successful silver companies at Cobalt, had money in its treasury and decided to take up the Kirkland Lake Gold mining property. The Beaver company carried on operations to the 1,000-ft. level. A mill was erected and first production was in 1919 when the property yielded $55,780 and a total of approximately a million dollars was produced while Beaver operated the property.

In 1924 when J. B. Tyrrell was Canadian representative of Anglo-French Exploration Co., one of the large overseas mining companies, he was approached by F. C. Culver, president of the Beaver, and asked to take an interest. Dr. Tyrrell understood that Beaver was in negotiation at the time with another company, but was assured by Mr. Culver that negotiations were entirely suspended. Dr. Tyrrell decided that he would examine the property in detail. When he had seen all the underground workings and the geological maps and assay sheets, he entered into negotiations.

Property Owed Half Million

At this time Beaver held a mortgage of half a million on the property, representing part of its expenditure. After considered negotiation, the proposal was made by Dr. Tyrrell that the capital stock be increased from 2,000,000 shares to 5,000,000 shares as the treasury was exhausted. One million of the new stock was to be in preferred shares and the other two million in common. The owners of the original two millions would continue to hold their shares, which were then selling for a few cents. Beaver agreed to take 500,000 shares of preferred for its mortgage, and also held 1,250,000 of common.

Anglo-French was induced to purchase 250,000 preferred shares and one million common shares. Dr. Tyrrell agreed that he and his associates would take up the remainder — 250,000 preferred and 1,000,000 common shares on the same terms as Anglo-French. The treasury was guaranteed, by this deal, a total of $450,000.

The agreement was made that Dr. Tyrrell was to have complete charge of the mine and to direct the expenditure of the funds for a period of three years. The shareholders and public were satisfied with new arrangement, and there was a unanimous vote of shareholders confirming the agreement.

Support of Shareholders

At the expiration of the three years as the programme of mining to reach the deeper, richer section of the mine was incomplete, and the money voted was not all spent, Dr. Tyrrell desired to continue to carry on the work, not only in order to prove the correctness of his deductions regarding the property, but in what he believed to be the best interests of the shareholders. He accordingly proposed to the shareholders that he should continue to direct the affairs of the company.

The response of the shareholders was to support Dr. Tyrrell in every particular. His nominees were elected both for the board of Beaver and the boards of Kirkland Lake Gold Mining. The new board asked D. B. Hanna to take the presidency of Kirkland Lake Gold Mining, which position he occupied until one year ago when he asked Dr. Tyrrell to assume his place.

Dr. Tyrell has directed the company since 1924. In the meantime the preferred shareholders voted to exchange all their shares for common shares, so that all further interest charges on this class of stock were eliminated.

The Turning Point

The property has had one notable struggle for control. There also have been numerous reports of amalgamations from time to time. It is recalled that Nipissing, Buffalo and Teck-Hughes all had negotiations, prior to the entry of the present administration, for the acquiring of the property. It was definitely forecast in 1924 that Teck-Hughes would take on the property, but nothing came of the proposal. As a result the property went along "on its own," finding in that same year a mining man who was able to command adequate finances and who possessed a definite conviction that the rich ore of the camp would enter the property at a mineable depth.

This was the turning point in Kirkland Lake Gold development as the deepest mine in Canada.

Kirkland Lake Gold Mines' Price Range of Stock

1923..	$0.61	$0.15	1928..	$2.75	$1.05
1924..	0.30	0.14	1929..	1.92	0.80
1925..	0.93	0.33	1930..	.95	.35
1926..	1.26	0.67	1931..	.93	.38
1927..	3.06	0.84	1932*.	.55	.42

*To March 15.

SIMPSON'S FIND TARIFF BURDEN ON PROFITS NOW

Taxation and Imports Regulations Affected Merchandising

SEE IMPROVEMENT

Trusts Imperial Conference Decisions Will Open Way to Resumption of Old Business

Though volume of business scored by Simpson's Ltd. in 1931 was only 4.5 per cent less than in 1930, shareholders were informed at the annual meeting on March 21 that profit margins were narrower because of the reduction in buying power of consumers as a whole, the necessity of holding large inventories in the face of declining commodity values and the consequent writing off of large sums. The situation was further complicated by large losses inflicted on merchandizers by tariff changes, and methods devised by the Customs Department for sterling and other currency revaluations as well as special duties to cover exchange fluctuations. Taxes increased materially in the year.

C. L. Burton, president of Simpson's Ltd., stated that these factors were still operating in 1932 and that the losses would be greater from prohibitory tariff enactments as the full effect would be felt this year. He hoped that there would be sufficient recovery in the world situation by the fall to make up in the latter part of the year somewhat for reduced purchasing by the public in the first part of the year.

Transactions Increase

The company had written off $500,000 from inventory more in 1931 than had originally been provided to meet the most unusual situation created by the abnormal decline in commodity values, but inventory was now at the lowest point since 1923.

Mr. Burton reported 1,000,000 more transactions in the Toronto store in 1931 than in any previous year but the average dollar value of a sale had come down. Mail order business had decreased considerably but Mr. Burton stated that it was less than half of the decline shown by large United States mail order houses.

Taxes and Tariff Hurt

"During the past year we were called upon to pay increased taxes—Municipal, Provincial and Federal. Apart from any increase in assessments on properties and without any additional service being rendered to us, our increased levies amounted to upwards of $100,000," said Mr. Burton.

"The increased sales tax and the excise tax on imports were introduced during the year and resulted in a penalty to our net profits estimated at $300,000. The incidence of these new imposts made it impossible immediately to so adjust purchases as to avoid the penalty.

"The new tariff changes have penalized us seriously. Especially is this true in respect to those schedules which provided specific duties, revaluations of certain articles, revaluation of depreciated Sterling exchange, and other currencies, and the wide application of dumping duties in respect to these revaluations as well as in respect of exchange covering shipments of American and European purchases whose currencies continued on the gold basis. The trading loss to us during 1931 ran into several hundred thousand dollars.

"The drastic contraction in imports—the practical prohibition of operations which, for many years, have contributed greatly to the economy of the business as a whole presents a very serious problem.

Hopes Set on Conference

"Representations have been made showing the results of these imposts and we are hopeful that relief may be forthcoming inasmuch as the new imposts have gone much further than protection to the Canadian manufacturer requires.

"The news coming from Great Britain is of a very hopeful character.

"If our goverment is able at the forthcoming Imperial conference to work out a satisfactory arrangement which will justify the removal of the present onerous regulations which have practically resulted in the prohibition of imports from Great Britain and which, on the contrary, will enable importations from Great Britain to be resumed, and providing the 1932 crop, especially in the west, is of satisfactory volume and can be sold at a reasonable price, the fall trade of 1932 should show a definite improvement."

Directors were re-elected, and H. G. Colebrook added to the board. 86.5 per cent of the common shares was represented at the meeting.

Brokers Resume Montreal Business

From Our Own Correspondent

MONTREAL. — Child and Co. announces the resumption of business as members of the Montreal Stock Exchange. Announcement is also made of the withdrawal of D. C. Macarow from the firm as at February 29, 1932, and the admission of Gustave Beaudry as a partner as at March 15, 1932.

Reid Aircraft Activity Sinks to Low Point

From Our Own Correspondent

MONTREAL.—Operations of Curtiss-Reid Aircraft Co. are virtually at a standstill. A skeleton staff is maintained at the factory and flying field but little hope is held for an improvement in activity in view of the slackening in aviation work.

Last year it is understood that the company manufactured the majority of ski equipment for government planes and orders of around $65,000 were handled by the factory. Since their completion there has been a lack of orders.

After wide write-offs at the end of 1930 the company brought forward a deficit of $779,306 into last year. Figures on earnings for 1931 have not been released.

CELANESE PROFIT COVERS DIVIDEND PREFERRED STOCK

Plant Account Reflects Expansion Undertaken Last Year

From Our Own Correspondent

MONTREAL. — Net operating profits of Canadian Celanese in 1931 were $1,260,448 compared with $1,254,530 in the previous year. After provision for depreciation, taxes, and reserve, net profit applicable to preferred dividends was $805,164 against $811,512 reported in 1930.

Net profits last year were equal to $8.95 a share on the preferred stock, on which regular dividends at the rate of 7 per cent were maintained for the full year for the first time. Payment of preferred dividends left a balance applicable to the common shares equal to 70 cents a share on the 250,409 shares of no par value outstanding. In 1930, only two quarterly disbursements were made on the preferred stock; making allowance for the full 7 per cent payment, common share earnings in that year were equal to 72 cents a share. Dividends are $29.75 in arrears.

Reserve for Securities

A special reserve of $150,000 was appropriated from surplus for market depreciation of investment securities held by the company, or to be used for other purposes; after this deduction, and adjustment for income tax, profit and loss balance was increased by $8,165, to $1,730,477.

Following are details of profit and loss for the past three years.

	1931 $	1930 $	1929 $
N. O. prof. ..	1,260,448	1,254,530	527,519
†Deduct	455,284	443,018	162,202
Net inc.	805,164	811,512	365,317
Pfd. div.	630,000	315,000	......
Balance	175,164	496,512	365,317
Spcl. res.	150,000	......	......
Surplus	25,164	496,512	365,317
Prev. sur. ..	*1,705,313	1,216,966	512,119
P. & L. bal. ..	1,730,477	1,713,478	877,436

†Depreciation, income tax and other deductions, and reserve for contingencies and unascertained charges.

*After adjustment of $8,164 additional income ta xin respect of prior periods.

Working Capital Declines

Working capital at the end of year was lower totalling $3,003,277 compared with $3,297,079 at the end of 1930. Current assets of $3,306,695 were down $293,000 reflecting a drop in accounts payable and inventories, while current liabilities at $303,418 were up $111,000 reflecting a gain in accounts payable.

Indicating expansion carried out last year, plant account has been increased by $817,000 to $9,495,962. Cash is higher by $181,000 at $396,394 and investments at cost are down $226,000 at $1,150,819. Inventories are lower by $220,000 at $1,379,172 and accounts receivable at $380,310 compared with $405,902 in 1930.

In liabilities, accounts payable are up $111,000 at $303,418. Depreciation reserve has been increased by $240,000 to $561,308, contingency reserve is unchanged at $100,000 and the special reserve of $150,000 set up last year makes its first appearance.

7-months Wheat Exports 61 p.c. Via Canada Ports

Canadian wheat exported from Canada during the seven months ending February, 1932, totalled 114,348,795 bushels, of which 69,973,791 or 61.19 per cent, were routed via Canadian ports. The amount via United States ports was 39,923,816 bushels or 34.91 per cent, according to the Dominion Bureau of Statistics.

To the quantity shipped via Canadian ports must be added 1,532,699 bushels rerouted from United States lake ports, and deducted from U. S. port exports. This would make 71,506,490 and 38,391,117 via Canadian and U. S. ports respectively.

Wall or Desk Chart Canadian Business

1867 — 1931

The Financial Post has prepared the first chart showing the trend of Canadian business since Confederation.

A limited number of copies of this chart have been printed in two colours on heavy paper, suitable either for framing or for putting under the glass top of an office desk. These copies, rolled individually for mailing, are available at $1 per copy postpaid.

Use the coupon to order one or more.

One Dollar a Copy

THE FINANCIAL POST,
153 University Ave.,
Toronto.

Please send me..........copies of your Wall Chart of Canadian Business 1867-1931 for which I enclose $............(at the rate of $1 a copy.)

Name ....

Address ....

981

In addition, this chart appears in The Financial Post Business Year Book, 1932, now available at $2 a copy postpaid.

ATLANTIC SUGAR EARNINGS HOLD NEAR 1930 LEVEL

Balance Sheet Simplified, Goodwill Entirely Written Off

From Our Own Correspondent

MONTREAL. — Financial statement of Atlantic Sugar Refineries for 1931 is featured by a maintenance of profits and a simplification of the balance sheet. Earnings last year were lower by $15,000 at $1,089,615; in the balance sheet plant has been written down by over $1,000,000 and goodwill of $3,000,000 has been written off.

After provision for depreciation, bond interest, discount on bonds redeemed and bad debts reserve, net earnings in 1931 were $491,218 compared with $498,077 in the previous year. No dividends have been paid on the preferred stock since 1920; profits, however, were sufficient to cover a year's disbursements at 7 per cent or $77,777 and leave a balance equal to $5.24 a share on the common stock. On the same basis in 1930, common share earnings were $5.33.

Establish Special Reserve

A special reserve of $100,000 has been set aside against cost of providing external funds for bond interest and retirement of bonds. A portion of this would be properly applicable to profits before reckoning common share earnings, but details of the apportionment are not given in the report. The sum of $460,673 has been deducted from surplus representing set amount required to adjust plant and reserves and to adjust value of common stock to the resulting surplus after writing off goodwill.

Following is a comparison of profit and loss for the past three years:

	1931 $	1930 $	1929 $
§Profits	1,089,615	1,104,721	731,361
Deprec.	384,903	384,137	380,276
Balance	704,712	720,584	333,085
Bond int.	184,994	192,757	201,919
Net profit ...	519,718	527,827	131,166
*Discount ...	21,500	20,250	16,250
Balance	541,218	548,077	147,416
B. D. res.	50,000	50,000	30,000
Balance	491,218	498,077	117,416
†Oth. res. ...	100,000	......	......
Surplus	391,218	498,077	117,416
Prev. surp. ..	1,159,508	661,331	543,916
Total	1,550,626	1,159,408	661,332
‡Adjust.	460,673	......	......
P. & L. bal. ..	1,089,953	1,159,408	661,332

§After income tax.

*On bonds redeemed.

‡Charges applicable to prior years, and net amount required to adjust plant and plant reserves, and to adjust the value of the common stock to the resulting surplus after writing off goodwill.

†Reserve against cost of providing external funds for bond interest and retirement of bonds.

Working Capital Higher

Working capital shows an improvement, totalling $3,728,769 compared with $3,081,730 at the end of 1930. Current assets show an increase at $3,949,682 and current liabilities are lower at $220,913.

In assets, property account has been written down by $1,061,184 through reversing the amount by which plant was increased by the appraisal of 1920. Further, depreciation reserve which was formerly shown on the liability side of the ledger, now is deducted from fixed assets. Property, less reserve of $3,343,601 is now carried at $2,193,528.

Cash totalled $28,200 compared with $1,214,126 in the previous year. On the other hand, interest-bearing deposits of $675,000 and call loans of $500,000 make their first appearance. Accounts receivable are lower by $143,000 at $211,428 and inventories are slightly lower at $710,418.

Investments Show Gain

Investments, including the company's own bonds purchased, are higher by $646,000 at $1,820,673. The former valuation of $3,000,000 for goodwill has been written off.

In liabilities, accounts payable are down $160,000 at $220,913. During the year $125,000 of first mortgage bonds were redeemed, leaving $70,000 outstanding and $296,000 of general mortgage bonds were retired, leaving $3,551,246 outstanding. A reserve of $100,000 against costs of providing external funds for bond interest and retirement of bonds reflects the deduction made from income.

Common stock and surplus is carried at $1,089,951. In the previous year the common stock was carried at $1,972,225 and surplus was shown separately, at $1,159,408.

International Pete February Output Down

Average daily production of crude by International Petroleum in Peru fell to 20,043 bbls. in February as against 24,143 the previous month and in Colombia the average was 48,337 bbls. in February as against 49,485 bbls. in January. Average daily production in Peru during February compared with 16,641 bbls. produced in February, 1931, when there was decreased production due to a partial shut down of operations. Colombian production in February, 1931, was 59,908 bbls. per day.

January production figures shows but one new well brought in as compared with 13 new wells in January, 1931. The report on January production for both the Peruvian and Colombian fields compares with January, 1931, figures as follows:

January	1932	1931
Peru:		
No. of wells completed	1	7
Av. initial prod., bbls.	37	506
Total crude prod., bbls.	748,425	778,440
Colombia:		
No. of wells completed	....	6
Av. initial prod., bbls.	....	521
Total crude prod., bbls.	1,534,044	1,657,701

McDougall and Cowans Reopen for Business

From Our Own Correspondent

MONTREAL. — McDougall and Cowans reopened for business on March 21, following the completion of remaining formalities in connection with the firm's reinstatement on the Montreal Stock Exchange.

Reorganization of the bankrupt brokerage firm has been unconditionally approved by a court judgment. The firm and members have been discharged from bankruptcy and all rights and assets have been vested in the creditors' realization company known as McD. and C. Holdings.

The judgment included a provision that notwithstanding the annulment of the bankruptcy of the debtors, all those liable to make any payment under the provisions of the Bankruptcy Act shall continue to be governed by the Act.

Imperial Tobacco Meeting Approves Bonus Payment

From Our Own Correspondent

MONTREAL. — Shareholders of Imperial Tobacco Co. of Canada, at their ordinary general meeting, confirmed the recommendation of the directors that a final dividend of 3½ per cent on the ordinary shares of the company be paid on March 31 to shareholders of record March 3.

New Vice-President

EWARD R. ANGUS

Who has been appointed vice-president of Williams Partridge & Co., and director in charge of the newly opened branch office in Toronto. Mr. Angus has been vice-president and director of Matthews & Co., and has been chiefly associated throughout his career with government and municipal financing.

FAIRHALL GROUP REORGANIZATION PLANS ALTERED

Directors Now Agree to Giving All Stock Vote

From Our Own Correspondent

MONTREAL. — Holders of the preferred and class "A" stock will hold control of the company to be organized to take over Diversified Standard Securities, Second Diversified Standard Securities and Third Diversified Standard Securities if approval is given to the plan of re-organization as submitted by the directors.

This decision was arrived at by the directors following protests from shareholders of the three companies that the reorganization plan was not suitable, in that control continued to rest with the holders of the founders' shares, which represented little or no cash value.

Had Heavy Losses

These investment trusts had been formed between 1927 and 1929 for the purpose of investing in Standard Oil securities, though the Third company had more general powers. The investment portfolio suffered a serious shrinkage in value and authority was received by the management from the shareholders to permit the first two companies to invest outside of the Standard Oil group.

Toward the end of last year it was found expedient to reorganize the group and on the basis of net value of securities, shareholdings in the old concerns were to be exchanged for stock in the new company. This plan called for a sharp reduction in capital values, limiting of various rights and giving holders of founders' or "B" stock control.

Opposed to Plan

The inequality of this step was pointed out by The Financial Post at the time and strong opposition to the plan developed among shareholders located at Kitchener and other points in Western Ontario. Following representations made by the dissenters, the management then agreed to alter the plan in such a way as to give voting control to holders of the preferred and class "A" stocks.

Shareholders of the three companies will meet next week to pass upon the reorganization plan.

Algoma Steel Corp. Rail Mill Reopened

From Our Own Correspondent

MONTREAL.—Rail mill of Algoma Steel Corp. has resumed operations with the receipt of an order for 100 lb. rails. It is understood that the order, which is for Western Lines, does not assume substantial proportions.

In addition to the rail mill, both merchant mills have been active for the past two weeks on general work.

INTERNATIONAL LOAN COMPANY

HEAD OFFICE — WINNIPEG, MAN.
ASSETS OVER ONE MILLION DOLLARS
LIABILITIES TO THE PUBLIC NIL

Balance Sheet as at December 31st, 1931

ASSETS

Mortgages and Agreements (including accrued interest):		
First Mortgages and Clear Title Agreements		$1,007,986.25
Real Estate and Clear Title		66,440.33
Cash on Hand in Bank:		
Cash on Hand	$ 1,679.68	
Royal Bank of Canada	12,730.52	
Canadian Bank of Commerce	87.96	
	$14,498.16	
Less Cheques Outstanding	4,467.22	
		$ 10,030.94
		$1,084,457.52

LIABILITIES:

Liabilities to Public		NIL
Reserve for Dominion Income Tax, payable 1932		$ 2,551.99
Capital, Surplus and Reserves:		
Capital Authorized	$20,000,000.00	
Capital Subscribed	5,620,400.00	
Capital Paid-up	877,445.01	
Reserve and Undivided Profits	104,460.52	
Reserve for Contingencies	100,000.00	
		$1,081,905.53
		$1,084,457.52

GEO. W. ARGUE, Managing Director
H. F. M. ROSS, President
CLIFFORD DICK, Secretary-Treasurer

Tooke Bros. Defers Payment on Preferred

From Our Own Correspondent

MONTREAL. — Dividends on the preferred stock of Tooke Bros. ordinarily payable April 15, have been passed. There are $985,000 of 7 per cent preferred shares outstanding as well as $258,700 of 7 per cent first mortgage bonds.

Earnings in the fiscal year ended June 30, 1931, presaged a deferment of dividends. Operations in that year, after senior charges, resulted in a loss of $41,578. The company manufactures shirts, collars, neckwear, etc.

NEW ISSUE

$12,500,000

Canadian Pacific Railway Company

Convertible Ten-year 6% Collateral Trust Bonds

Due March 15, 1942
(Non-Callable)

Principal and semi-annual interest (March 15 and September 15) payable in lawful money of Canada at any branch of the Bank of Montreal in Canada (Yukon Territory excepted). Coupon bonds in denominations of $1,000 and $500 registerable as to principal only. Fully registered bonds in denominations of $1,000, $5,000 and $10,000. Coupon and fully registered bonds interchangeable. Bonds will bear interest as from March 15, 1932.

Bonds will be convertible at the option of the holder at any time during the period beginning September 15, 1932 and terminating September 15, 1937 (inclusive of both days), into shares of the Ordinary Capital Stock of the Company, in the ratio of 4 shares of the par value of $25. each to each $100. principal amount of the bonds. In the event of conversion of any bond, interest accrued on such bond after the last preceding interest date shall not be payable. In the event of change in, or replacement of, the Ordinary Capital Stock of the Company, corresponding variation and adjustment of the conversion privilege will be made.

THE ROYAL TRUST COMPANY, MONTREAL, Trustee

These Bonds are legal investments for Canadian Life Insurance Companies under The Insurance Act of Canada.

The following information has been summarized from a letter dated March 16, 1932 from Mr. E. W. Beatty, K.C., Chairman and President of the Canadian Pacific Railway Company:

The Canadian Pacific Railway Company Convertible Ten-year 6% Collateral Trust Bonds will be direct obligations of the Company and in addition will be specifically secured by pledge under a Trust agreement to The Royal Trust Company, Montreal, of Canadian Pacific Railway Company 4% Consolidated Debenture Stock, in the ratio of not less than $136 principal amount of Consolidated Debenture Stock to $100 principal amount of Bonds from time to time outstanding.

The Consolidated Debenture Stock is a perpetual obligation authorized by Act of Parliament of the Dominion of Canada passed in 1889 and subsequent Acts. By these Acts the Consolidated Debenture Stock is a first charge on the whole of the undertaking property and effects of the Company (except lands received by way of subsidy under the terms of the Act authorizing the incorporation of the Company), subject to the payment of working expenses of the railway as defined by law and to the priorities created by charges existing at the time of the issue of Consolidated Debenture Stock. The priorities consisting of First Mortgage Bonds of the Company aggregate $3,650,000 principal amount, on which the annual interest charge is $182,500, and the annual rentals to which the Company's rights in railways held under lease are subject, amount to $3,628,940.

In 1931 the Company's net earnings and special income available for fixed charges amounted to $36,634,836. Fixed charges for the period were $22,050,364. Fixed charges were thus earned 1.66 times. For the five-year period ended December 31, 1931, the Company's net earnings and special income averaged over three times the average annual fixed charges.

Following is a summary of the results of operations for the past five years:

Year Ended Dec. 31	Gross Earnings	Working Expenses including all taxes	Net Earnings	Special Income	Available for Fixed Charges	Fixed Charges	Fixed Charges Earned
1927......	$201,145,751	$161,630,180	$39,515,571	$11,876,560	$51,392,131	$15,378,867	3.34
1928......	229,039,297	177,344,845	51,694,452	12,677,683	64,372,135	15,308,698	4.20
1929......	209,730,955	166,586,411	43,144,544	15,232,220	58,376,764	16,149,003	3.61
1930......	180,900,804	142,652,146a	38,248,658	20,042,923b	58,291,581	19,159,865	3.04
1931......	142,337,648	116,654,776a	25,682,872	10,951,964b	36,634,836	22,050,364	1.66

(a) Not inclusive of expenditures, made in advance of necessity, for unemployment relief.

(b) Special Income for 1930 included accumulated surplus of the Allan Steamship Line Company of $6,500,000 and of the Esquimalt and Nanaimo Railway $1,040,167, and for the year 1931 the accumulated surplus of the Kettle Valley Railway $1,823,010.

The Convertible Ten-year 6% Collateral Trust Bonds will have priority over $137,256,921 par value of Preference Stock and $335,000,000 par value of Ordinary Stock. Dividends at the rate of 4% per annum have been paid on Preference Stock without interruption since 1893. Dividends have been paid on the Ordinary Stock without interruption since 1882; for the years from 1911 to 1930 inclusive, at the rate of 10% per annum, and for 1931 at 5% per annum.

These bonds are offered when, as and if issued and received by us and subject to the approval of all legal proceedings by Messrs. Meredith, Holden, Heward & Holden of Montreal. It is expected that delivery in the first instance will be made on or about March 29, 1932, in the form of temporary bonds.

Price 100 and accrued interest, to yield 6%
(Plus Transfer Tax)

Bank of Montreal

The Royal Bank of Canada | The Canadian Bank of Commerce | The Bank of Nova Scotia
The Dominion Bank | Banque Canadienne Nationale | The Bank of Toronto
Imperial Bank of Canada | La Banque Provinciale du Canada | The National City Company Limited
A. E. Ames & Co. Limited | Dominion Securities Corporation Limited | Wood, Gundy & Company Limited
Royal Securities Corporation Limited | Nesbitt, Thomson & Co. Limited | Hanson Bros. Incorporated
Harris, Forbes & Company Limited | McLeod, Young, Weir & Co. Limited | F. W. Kerr & Company
Drury & Co | W. C. Pitfield & Company | Bell, Gouinlock & Co. Limited
Fry, Mills, Spence & Co. Limited | R. A. Daly & Co. Limited | Matthews & Company
Osler & Hammond | James Richardson & Sons | Eastern Securities Company Limited
L. G. Beaubien & Co. Limited | Midland Securities Corp. Limited | Ernest Savard Limitée
Mead & Co. Limited | Geoffrion & Rainville | Hannaford, Birks & Company Limited
John Gordon Incorporated | Iselin Corporation of Canada | T. M. Bell & Company Limited

The information contained in this advertisement has been obtained from sources which we regard as reliable. We do not guarantee, but believe it to be correct.

Annual Review of Life Insurance in Canada

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

Vol. XXVI | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, MARCH 26, 1932 | 10c a Copy; $5.00 a Year | No. 13

Investments Play Important Role In Life Insurance

Life Companies in Canada Have Two Billion Dollars of Assets Invested For Policyholders

DOUBLING EVERY FEW YEARS

Inflow of New Money at Rate of $1,000,000 a Day Presents Major Problem For All Companies—Analysis Shows Sound Character of Investments

The keystone of a life insurance structure is undoubtedly its investments.

When one stops to consider that every working day of the year, over one million dollars is paid by Canadian policyholders to life insurance companies operating in Canada and that the bulk of this must be invested to meet obligations which may not mature for ten, fifteen, twenty or even fifty years, one realizes the magnitude of the problem and its importance in the business of life insurance.

To start with, the assets of life insurance companies in which Canadians are interested—namely, the assets of our own Canadian companies and the Canadian assets of British and foreign companies operating in this country, amount to approximately two billions of dollars.

Of this total amount four per cent is represented by real estate, largely head office properties; 16 per cent or 17 per cent is lent out to policyholders in the form of policy loans and approximately five per cent is maintained in the form of cash or in non-ledger assets, such as agents' balances and so forth. Lumping all these together we find the remainder comprises 75 per cent of the total or roughly 1.5 billions which must be invested in safe conservative long-term investments which will yield if possible between five and six per cent.

Detailed Analysis of Holdings

Detailed analysis of the way in which life company assets are invested is found in the annual reports of the member companies to the Canadian Life Officers Association which shows the following:

Analysis of Assets of Canadian Life Companies

	1926	1927	1928	1929	1930	
	%	%	%	%	%	$ Amount
Real estate	3.00	2.36	2.48	2.56	4.07	61,421,161
Mortgages—farm	8.20	7.37	6.59	6.04	5.05	76,247,199
Mortgages—other	15.50	17.12	17.86	17.90	17.35	261,888,866
Policy loans	13.94	13.67	13.50	14.32	15.17	229,108,632
Canadian Government bonds	10.84	8.37	6.72	5.69	4.90	74,086,617
British Empire Gov't. bonds	2.09	1.95	1.57	1.04	.93	14,005,809
Foreign Gov't. bonds	2.28	2.53	2.67	2.48	2.21	33,354,034
Municipal bonds	13.56	12.26	10.38	8.98	8.00	120,719,764
Railroad bonds	.61	.57	.70	.77	.67	10,081,711
Miscellaneous bonds	11.64	12.08	11.52	11.71	11.60	175,132,743
Stocks	12.76	16.35	20.81	22.98	23.74	358,524,612
Other ledger assets	1.03	.88	.79	1.03	1.43	21,616,307
Total ledger assets (book value)	95.45	95.51	95.59	95.50	95.12	1,436,187,455
Non-ledger assets	4.55	4.49	4.41	4.50	4.88	73,675,717
Total assets (book value)	100.00	100.00	100.00	100.00	100.00	1,509,863,172

And that, of course, is only part of the problem for not only must this vast sum of money be profitably invested and re-invested, but also the new money which comes in each year must be looked after. Within the past six years, for instance, the total assets of these companies in Canada has doubled, a phenomenon which will probably repeat itself in the next five or six years and which indicates (if the experience of past years is any criterion) that suitable channels of investment must be found for a further 2 billions of new insurance money during the present decade.

For in any one year insurance companies spend only about two-thirds of their income in meeting current expenditures, which means that for every new dollar they receive—and Canadian companies received over $400,000,000 in 1931—one third or $135,000,000 is normally over and above what is needed to meet current expenditures and must be reinvested immediately in order to meet statutary reserves requirements and provide funds to meet actuarial obligations as they mature.

Thus it has developed that throughout the past five decades, life insurance companies have proven to be one of the most outstanding financial bulwarks of this Dominion and their investing power has played a major part in the development of practically every phase of economic activity in this country. The most recent example of this being of course, the National Service Loan for which insurance companies subscribed approximately $27,000,000.

Life Officers Analysis

The best bird's-eye view of how insurance companies in Canada invest their assets is the analysis prepared by the Canadian Life Insurance Officers' Association and which analyzes the assets of the life insurance companies who are members of this association from 1907 to 1930. A study of these figures, some of which are shown above, reflects not only the fundamental principles by which the insurance dollar is invested but also the basic chages which have taken place during the past 25 years.

Thus we find that high grade bonds and first mortgages on real estate have always been the primary outlet for insurance company funds and that on the basis of latest figures available, 28 cents out of every dollar of Canadian life companies assets is invested in the former and 22 cents in the latter security. Twenty-five years ago the ratio for bonds was somewhat higher at 38 cents out of every dollar, while first mortgages took 30 cents. First mortgages as an investment apparently reached the peak of their popularity in 1915 when 37 cents out of every dollar was thus invested. Bonds reached an even higher peak in 1918 when 48 cents was found to be invested in different types of bonds and debentures. When 1931 figures are available there is no doubt that the total holdings of bonds by insurance companies in this country, will show a considerable increase at the expense of both stocks and mortgages.

Among bonds the most popular group in 1930 was corporation and miscellaneous bonds which comprised nearly 12 per cent of total assets, followed by municipal bonds at 8 per cent and Canadian, British and foreign government bonds at approximately 8 per cent. Railroad bonds have never played an important part in the Canadian life insurance investment picture and for years have comprised less than 1 per cent of the total assets of Canadian companies.

The substantial expansion in holdings of preferred and common stocks by Canadian life companies which has taken place in recent years and which in 1930 totalled 23.4 per cent is due almost entirely to the policy of the Sun Life Assurance Co. which, on the basis of its 1931 figures, had 54 per cent of its total assets in preferred and common stocks of which the major portion was common shares. G. D. Finlayson, federal superintendent of Insurance has for the past two years analyzed the investments of Canadian life insurance companies by classifying on the one hand the assets of the Sun Life and on the other the assets of all other Canadian companies. On this basis it is found that at the end of 1930 all other Canadian companies excluding the Sun Life had only 3.34 per cent of their total assets invested in common stocks, whereas 55.89 per cent of total Sun Life holdings were invested in either preferred or common shares.

Under certain important restrictions, preferred and common shares have long been a legal investment for life insurance companies in Canada but the Sun Life alone has developed its investment organization to specialize in this type of investment. Furthermore until recent months no attempt has been made to legislate, for any life company operating under federal government supervision, the proportion which any one type of security shall bear to total assets. Legislation is now being introduced however which will limit in future any one company from investing more than 25 per cent of its total assets in common stocks.

Mortgages Mostly Urban

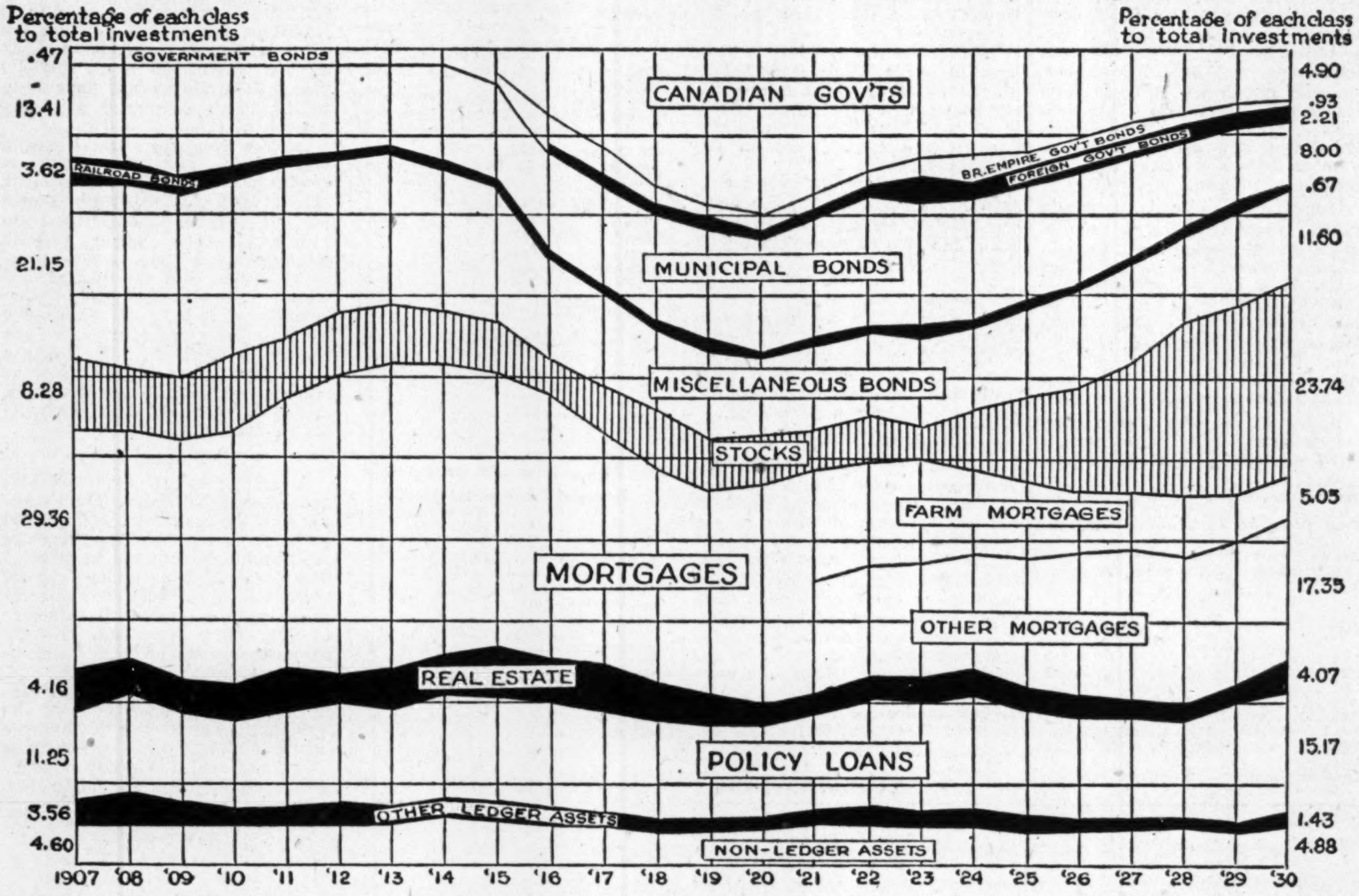
Another important field is first mortgages on real estate. Unfortunately no figures are available as to the investment by life insurance companies as between farm and other mortgages, prior to 1921. In the early days however, a great volume of life insurance funds went into farm mortgages, but this practice has been steadily declining and as at the end of 1930 this group represented but 5 per cent of total assets, or less than 25 per cent of total moneys invested in mortgages of all types. The wisdom of this policy has been proven by the experience of the past two years and the majority of Canadian companies have been able to keep interest arrears (even during the abnormal situation of 1931) at a comparatively low figure.

Reference might well be made here to the valuation basis permitted by federal and provincial governments in Canada for annual statement purposes. Through lack of any more suitable basis for annual valuation, mortgages are taken in at book value. Bonds and stocks, however, are taken in at values prescribed by the government which are usually on the basis of ruling quotations as at Dec. 31 in each year.

It is obvious that at a time such as this when value of farm property has shrunk to abnormally low levels, book value, if written down in accordance with sound bookkeeping practice, may probably be a much better yard-stick of the true worth of an investment which is bought on a long-term basis, than a current valuation. It is this principle which has led to the general adoption by insurance jurisdictions throughout this continent, of average market values for bonds and securities for purposes of 1931 statements.

Essentially the investments of life insurance companies are trust funds—the savings of policyholders put aside year by year against old age or premature death. Under federal and provincial laws life companies in Canada have been set rigid standards of investment which mark clearly and it is believed wisely, the types of investment which can be made. With perhaps the single exception of New York State these are the most rigid restrictions of any jurisdiction on this continent. They are in sharp contrast to the laissez-faire policy adopted in Great Britain.

Bed-Rock of Life Insurance is Sound Investment Programme



Here's a bird's-eye view of the way in which life insurance companies operating in Canada have invested their assets in the past 23 years. The analysis is based on figures prepared each year by the Canadian Life Officers' Association and covers a total investment on the basis of 1930 figures (latest available) of approximately $2,000,000,000.

All investments are made in strict conformity with federal and provincial restrictions which prescribe wise and rigid limits to safeguard this important repository of policyholders' savings.

Life Insurance Is "New Banker" of Twentieth Century Economy

A few years ago a prominent Canadian industrialist died and the chief asset of his estate was a controlling interest in his business which had a market value of approximately $25,000,000. Today these shares are worth a paltry $600,000, and the only real asset the heirs possess are life annuities bought many years ago as mere incidentals in a vast labyrinth of wealth.

Or take the case of another outstanding Canadian business man who sold his business, lock, stock and barrel a few years ago for a cool million dollars. Today, in spite of meticulous care in investments he finds three-quarters of his estate has been swallowed up in the collapse of investment values. If he were to die today, the chief asset of his estate would be life insurance policies amounting to over a quarter of a million dollars which he was wise enough to purchase as part of his investment programme.

All Have Common Need

Here are but two of hundreds of thousands of cases, typical of what has been happening all over this continent in the past few years. Take the average professional man for instance. Three years ago he probably prided himself that he was on his way to making ample provision for the future by salting away twenty or thirty thousand dollars worth of bonds and stocks. Now he finds perhaps 80 to 90 per cent of his savings wiped out by margin calls and the steady relentless decline in security values.

No two pictures are quite alike but in nine cases out of ten they have one common need—life insurance.

For life insurance is the one investment that is still payable at par and which neither falling prices, nor the drop in sterling, nor tariffs, nor any other savings enemy doth corrupt.

Today life insurance companies in Canada are the custodians of over two billion dollars of assets which represent the savings of 7,000,000 policyholders and which have a face value payable at some present or future date, of $6,600,000,000. It is well known that no life insurance policyholder in Canada has ever lost a dollar by reason of the failure of a company to discharge its obligations. A record which no other institution on this continent can equal.

How Record is Maintained

But how can life insurance retain this unique record when practically every other known material value has been debased in more or less degree?

There are several reasons, chief among which is the fact that life insurance is an exact mathematical science which means that when any one of us takes out a policy the company knows exactly how much it will cost to insure the risk and exactly how much must be set aside as a reserve against the contingent liability involved. Not only that but premiums are calculated with a wide margin of safety so that every company no matter how keen the competition, always collects in premiums an amount to cover amply all possible mortality risks involved and also provide adequately for contingencies and expenses.

Another vital consideration is the fact that unlike most commercial enterprises a life insurance company uses one yardstick to measure its assets and another very much stricter yardstick to measure liabilities. Thus all companies operating in Canada are forced by law to calculate their liabilities to policyholders by setting up reserves as if they were only going to earn either three or three and one-half per cent on their invested funds. In actual practice over a long period of years earnings have of course been considerably higher than that and have actually exceeded five per cent for all companies with the average in recent years probably nearer six per cent.

Worked out on an actuarial basis, this means that every time an insurance company increases its rate of earning power by one per cent over and above the statutory reserve basis on which its liabilities are computed, it sets up a further "cushion" of no less than 10 per cent of the total. Translated into terms of dollars and cents this means that if life companies in Canada earn two per cent more than the legal reserve basis on which their $1,500,000,000 of policyholder reserves are computed, they automatically set up an invisible financial cushion of 20 per cent or $300,000,000—quite apart from all surplus earnings which may accrue on current operations.

Income Always Exceeds Outgo

Another important consideration in life insurance is the fact that in the past 55 years, life companies have only had to pay out in each year, an average of about 53 cents for each $1 taken in. The remainder is of course surplus income which is immediately invested to meet policyholder obligations which do not mature on the average for fifteen or twenty years. This fact is, however, of tremendous importance in a time such as this. It means that no life insurance company is ever required to sell a dollar's worth of its invested assets to meet policyholder claims, since excess of current income over current expenditure is always more than sufficient to meet both ordinary and extraordinary demands of business.

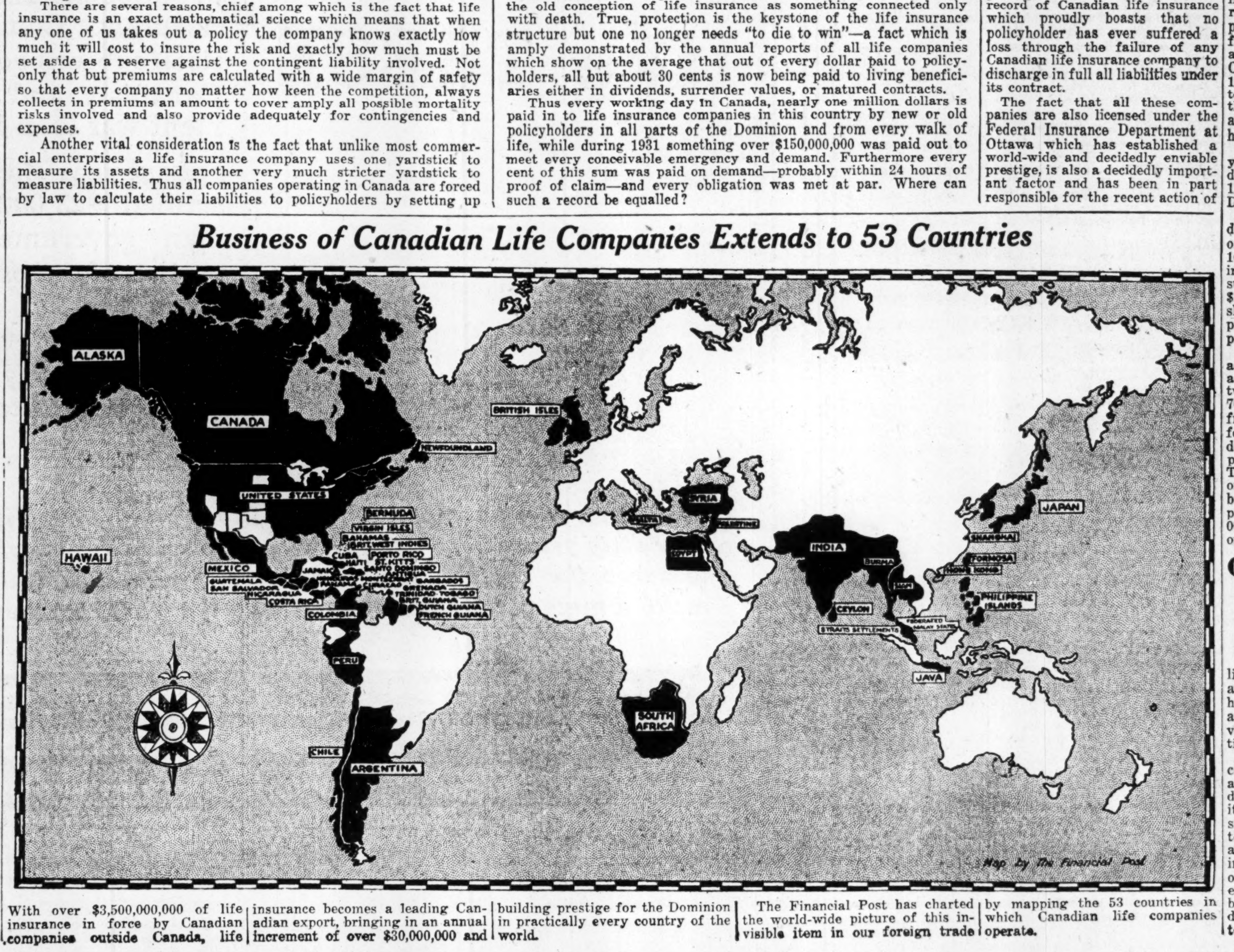
Thus it is apparent how little life companies are concerned with the current market value of securities, since investments are invariably made for the long term and if they are made wisely and there is assurance that the investment will pay interest regularly and return principal when it matures, current market values whether they be in a time of depression or in a time of prosperity are of little consequence to a well-managed life insurance company.

Thus life insurance has come to be the "new banker" of the twentieth century. For it is a bank in the true sense of the word, both as a repository of the nation's savings and as a potent factor in financing many phases of the economic life of the dominion.

And this new conception of life insurance is doing much to dispel the old conception of life insurance as something connected only with death. True, protection is the keystone of the life insurance structure but one no longer needs "to die to win"—a fact which is amply demonstrated by the annual reports of all life companies which show on the average that out of every dollar paid to policyholders, all but about 30 cents is now being paid to living beneficiaries either in dividends, surrender values, or matured contracts.

Thus every working day in Canada, nearly one million dollars is paid in to life insurance companies in this country by new or old policyholders in all parts of the Dominion and from every walk of life, while during 1931 something over $150,000,000 was paid out to meet every conceivable emergency and demand. Furthermore every cent of this sum was paid on demand—probably within 24 hours of proof of claim—and every obligation was met at par. Where can such a record be equalled?

Business of Canadian Life Companies Extends to 53 Countries



With over $3,500,000,000 of life insurance in force by Canadian companies outside Canada, life insurance becomes a leading Canadian export, bringing in an annual increment of over $30,000,000 and building prestige for the Dominion in practically every country of the world.

The Financial Post has charted the world-wide picture of this invisible item in our foreign trade by mapping the 53 countries in which Canadian life companies operate.

Canadian Companies Sell Life Insurance Through 53 Lands

Fourteen Canadian Companies Carry Name of Dominion to Most Parts of the World—Over $3,500,000,000 in Force

VALUABLE NATIONAL ASSET

Adds $30,000,000 Annually to Canada's Balance of Trade and Gives Employment to Organization Larger Than That Necessary to Operate Canada's Largest Life Insurance Company

Few people realize that life insurance ranks as one of Canada's leading exports.

For although British and United States companies do a very substantial business in Canada each year and had in force in Canada at the end of 1931 over 2.2 billions of business, this is far exceeded by the volume of business which Canadian companies do abroad, both as to the amount of business written each year and as to total business in force.

This fact is of tremendous importance to Canada.

It means, for instance, that an organization considerably bigger than the Sun Life of Canada (which is Canada's largest life insurance company) would be needed, simply to handle the business which Canadian companies do outside our own country. It means that in the past few years Canada has been chalking up a favorable balance of trade in regard to insurance payments and that $30,000,000 of new money is coming into this country each year to more than offset payments made by Canadians for insurance abroad.

It means also that in 53 countries of the world citizens of all nationalities are purchasing Canadian insurance policies and that accordingly Canadian insurance companies are building goodwill for this country through nearly one million British and foreign policyholders, stretching clean around the world and living as far south as Cape Horn and as far north as Alaska.

No Mushroom Growth

And this expansion in foreign fields is no mushroom growth. As early as 1879 the Sun Life of Canada sent an underwriter to the Eastern group of the British West Indies and as a result of this venture this company embarked on a programme of expansion in foreign fields which was probably the forerunner of the tremendous foreign trade which Canada now carries on in life insurance.

Ten years later the Canada Life established its first branch in the United States and a few years after (1893) the Manufacturers Life obtained a license to transact business in Bermuda. Since that time these three companies have pioneered in developing Canadian life insurance abroad, to be followed by many other leading companies with the result that now fourteen leading Canadian institutions carry on business in 53 world countries.

Reasons for Success

Why have Canadian companies achieved such success in foreign countries? There are perhaps three important answers to this question. In the first place Canadian companies are trusted because they are British. Secondly they are credited (and rightly so) with the aggressiveness and energy of the United States companies. These circumstances together have proved something of a two-edged sword in conquering British and foreign fields and have been to a large degree responsible for the fact that Canada has now in force in foreign countries between $3,500,000,000 and $4,000,000,000 of life insurance.

Another important reason of course, is the fact that Canadian companies as a group are among the best managed life insurance institutions in the world and their prestige has been increased by the record of Canadian life insurance which proudly boasts that no policyholder has ever suffered a loss through the failure of any Canadian life insurance company to discharge in full all liabilities under its contract.

The fact that all these companies are also licensed under the Federal Insurance Department at Ottawa which has established a world-wide and decidedly enviable prestige, is also a decidedly important factor and has been in part responsible for the recent action of Canadian life companies in bending every effort to bring about a compromise between federal and provincial authorities in regard to insurance jurisdiction in this country, in order that this very important asset be not disturbed.

Has Many Advantages

From a Canadian point of view this expansion into foreign lands has been a decidedly profitable venture not only in considerably enlarging the size and scope of Canadian companies but also in generally improving the financial position of Canadian companies and through the spreading of the insurance risk over a still wider area which has enabled Canadian companies to give increasingly wider and more valuable benefits to policyholders both here and abroad.

Even in periods such as the past six months when world exchange has been topsy-turvy, there has been little or no difficulty in carrying on foreign business satisfactorily, since in practically every case Canadian companies balance assets and liabilities in the currency in which the policies are issued. Thus a heavy depreciation in sterling occasioned no loss because by holding sterling assets against sterling liabilities, both of which are payable in sterling, the companies are independent of the fluctuation of sterling exchange.

Canada Total Of Insurance 6.6 Billions

Life insurance in force in Canada at the end of 1931 totalled $6,622,548,000 according to preliminary figures published by the federal insurance department at Ottawa recently. This is an increase of 2 per cent over the previous year's figure of $6,492,429,000. The amount of insurance in force in Canada has doubled itself since 1923 and the 1931 total is just sixteen times the amount in force at the beginning of the century, although in that time the population has only doubled itself.

Insurance paid for during the year amounted to $783,019,000 a decline of 11.5 per cent from the 1930 total. The figures apply to Dominion licensed companies only.

Of total new business paid for during the year, $581,754,108 was ordinary life insurance which was 10.6 per cent below the corresponding figure for 1930. Industrial insurance was down 7 per cent at $162,540,000 while group insurance showed the most drastic drop on a percentage basis being down 34.6 per cent at $38,724,884.

Of total business in force in Canada at the end of the year, Canadian companies are credited with two thirds of the total or $4,409,704,000 an increase of 2.1 per cent from a year ago, while British and foreign companies hold the remainder or $2,212,844,000 which is 1.8 per cent above the 1930 figure. That the year has been a difficult one for all companies is indicated by the fact that in spite of new paid for business of over $780,000,000, business in force increased by only $130,0000,000.

City of Mexico Is Now Nearer Than B.C. Coast

With over three and a half billion dollars worth of life insurance in force on lives of policyholders outside the Dominion, Canadian life companies must keep a vigilant eye on happenings in practically every corner of the globe.

To the average Canadian, Mexico seems a long distance away, but a leading Canadian company which does business there, has found that it can get to Mexico City in considerably less time than it takes to get to Vancouver. By boarding a fast train at Toronto and changing only at Chicago and St. Louis, one can ride in the finest railway equipment on this continent and be in Mexico City three and a half days later. It takes you four days to Vancouver.

GREAT WEST LIFE NOW RANKS THIRD IN CANADA FIELD

'Peg Concern Confines Operations to Dominion and Border States

IS CANADA WIDE

Over Half Company's Total Business is in Provinces of Ontario, and Quebec

Organized in 1891 by J. H. Brock, the Great West Life Assurance Co. now ranks third among life insurance companies with head office in Canada, on the basis of its business in force.

The company confines its activities entirely to Canada and to five states of the United States adjacent to the Canadian border. Total business in these five states amounts to approximately $75,000,000, divided between North Dakota, Minnesota, Michigan, Illinois, and Washington. The company has a good volume of group insurance on its books which amounted at the end of 1931 to approximately $18,000,000. Although its head office is in Winnipeg, Great West is a Canada-wide institution and on the basis of 1930 figures, 58 per cent of its Canadian business in force was in the five provinces east of Manitoba. Over half the company's total Canadian business is in Quebec and Ontario.

Investments Analyzed

Analysis of the company's investments shows that at the end of 1931 39 per cent of ledger assets was in first mortgages and 33 per cent in bonds and debentures. Of total mortgages held, amounting to approximately $50,000,000, the larger proportion is in urban properties, the division being $20,390,000 in farm mortgages, $29,517,000 in other mortgages. Bonds and debentures held have a ledger value of $41,487,000. Total assets were $135,571,000 at the end of 1931.

Total disbursement to policyholders in 1931 amounted to $15,494,000. Reserves for policyholders on the basis of statutory requirements amounted to $106,651,000 and in addition the company has set aside $2,500,000 as contingency reserve, $8,692,000 for profit distributions to policyholders, and has a free surplus over and above capital account of $1,835,000.

In 1931 the company issued $60,843,000 of business and paid for $51,832,000. This compares with corresponding items of $73,931,000 and $62,722,000 in 1930. Of the paid for business in 1931, $1,081,500 was for group insurance covering 14 policies.

Officers—G. W. Allan, K.C., pres.; R. T. Riley and Sir D. H. McMillan, K.C.M.G., vice-presidents; C. C. Ferguson, gen. mgr.; E. A. Brock, sec.; F. D. MacCharles, asst. gen. mgr. and actuary; H. W. Manning, asst. gen. mgr.; A. T. D. Morgan, asst. gen. mgr.; C. E. Trimmer, treas.

Directors—
Representing shareholders: G. W. Allan, K.C., R. T. Riley, Sir D. H. McMillan, F. L. Patton, W. H. McWilliams, Col. H. F. Osler, J. A. Richardson, Hon. T. A. Crerar, all of Winnipeg.
Representing policyholders: F. E. Halls, N. J. Breen, M. F. Christie, W. P. Riley, all of Winnipeg.

Field of Operations—Canada, North Dakota, Minnesota, Michigan, Illinois and Washington, U.S.A.

Classes of Business Written — Ordinary (participating and non-par. business); group.

Capital—Authorized $1,000,000
Subscribed 1,000,000
Paid-up 1,000,000

Dividends Paid—20% per annum.

Growth of Business

Year	Assets $	Business in force ($ 000)	New ins. paid for* ($ 000)
1927	94,909,289	502,545	66,418
1928	107,261,627	547,461	69,695
1929	118,923,990	592,370	75,204
1930	129,147,632	614,405	62,722
1931	135,571,241	616,536	50,750

*Includes ordinary and group.

Percentage Analysis of Assets

	1931 %	1930 %	1929 %
Bonds:			
Government	4.7	3.6	7.1
Prov. & munic.	19.8	19.8	18.6
Other	8.2	10.1	8.0
	32.7	33.5	33.7
Stocks	.5	.3	.3
Mortgages	39.4	44.0	45.9
Real estate	4.4	2.2	2.7
Policy loans	21.6	19.4	17.2
Other ledger assets ...	1.4	.5	.2
	100.0	100.0	100.0
Interest earned	5.77	6.12	6.14

MUTUAL OF N. Y. DOES WELL HERE

Has Averaged $7,564,000 New Paid-for Business For 4 Years

One of the large American companies, the Mutual Life Insurance Co., of New York, commenced business in Canada in 1885. The total business in force of the U. S. company at end of 1931 amounted to a figure approaching 4½ billion dollars. Business in force in Canada at the end of 1930—the last year for which complete figures are available—totalled $82,440,639, exceeding that of any previous year.

In the past four years the company has added in Canada an average of $7,564,000 annually in new paid-for insurance, the 1930 figure having been $6,498,228.

Total assets in Canada at December 31, 1930, amounted to $22,609,270, of which $14,259,823 was held on deposit by the receiver-general in bonds, debentures and debenture stocks solely for the protection of Canadian policyholders.

Company writes ordinary insurance only, and while it is a mutual company writes both participating and non-participating business. The chief agent in Canada is W. O. H. Dodds, Montreal.

Head Office—34 Nassau St, New York, N.Y.
Head Office in Canada—Montreal.
Classes Written in Canada—Ordinary, par and non-par.

Growth of Business

Year	Assets ($ 000)	Business in force ($ 000)	New Ins. paid for ($ 000)
1927	16,978	73,973	8,442
1928	17,524	77,389	7,283
1929	18,797	81,258	8,034
1930	22,609	82,441	6,498

Total assets, Dec., 1931—$1,106,286,049.
Total business in force, Dec., 1931—$4,450,294,284.

Sixty Years in Canada For Metropolitan Life

Largest Financial Institution in World Celebrates Canadian Jubilee By Topping Billion Dollar Mark

Metropolitan Life Insurance Co. is, this year, celebrating the 60th anniversary of its entry into Canada. Although its parent organization has its head office in New York, Metropolitan Life was one of the earliest companies to write life insurance in Canada and for many years has maintained a Canadian head office at Ottawa.

The most important feature of the company's annual report for 1931 was that business in force in Canada topped the billion dollar mark for the first time in the company's history. The corresponding figure a year ago was $994,252,000. This is the largest volume of insurance in force in Canada for any company, Canadian or foreign, due to the fact that the Metropolitan's nearest rival does not write industrial insurance of which Metropolitan Life had approximately $394,000,000 in force at the end of 1931. If industrial is excluded from the Metropolitan total, the company still ranks second among all companies doing business in Canada.

Made Gain in 1931

Other branches of the company's business in force in Canada show totals as follows: ordinary, $569,724,000, and group (covering 42,628 certificates), $72,422,000.

During 1931, Metropolitan was one of the few companies in Canada to report a gain in new business issued. The total in all three branches for 1931 was $224,744,000, as compared with $196,129,000 the previous year. All branches showed an increase, the ordinary branch being higher than a year ago by approximately $21,000,000, at $128,228,000. New industrial business issued, including revivals and increases, was $89,853,000, while new group business amounted to $6,663,000.

Since the company's head office is outside Canada, Metropolitan Life maintains adequate reserves in Canada for the protection of Canadian policyholders. At the end of 1931, its Canadian investments totalled $231,000,000 the bulk of which were held solely for the protection of Canadian policyholders, in securities approved by the federal insurance department at Ottawa.

No details are available for 1931, but according to the federal insurance blue book, the company at the end of 1930 had total assets in Canada of $208,900,000 of which $180,000,000, approximately, were held solely for protection of Canadian policyholders. Of this latter total, $160,000,000 was in bonds, debentures, and debenture stocks, and the remainder in first mortgages on real estate. Approximately, $135,000,000 of the bonds, debentures and debenture stocks were on deposit with the receiver-general at Ottawa.

Metropolitan Life is a purely mutual company having no capital stock, and accordingly all its policies are issued on a participating basis. It is the largest insurance company in the world and has total business in force of $19,447,000,000, on no less than 44,521,000 policies. Total assets are $3,590,000,000 which rank it as the largest financial institution in the world.

Harry D. Wright is the company's manager for Canada and is third vice-president of the organization.

Head Office—1 Madison Ave., New York City.
Head Office in Canada—180 Wellington St., Ottawa, Ont.
Classes Written in Canada—Ordinary, industrial and group; participating only.

Growth of Business

Year	Assets ($ 000)	Business in force ($ 000)	New Ins. paid for ($ 000)
1927	141,716	792,854	133,744
1928	156,041	881,483	151,073
1929	173,877	970,257	162,070
1930	208,931	1,013,725	140,601
1931	231,037	1,036,186	......

Total assets, Dec., 1931—$3,590,115,653.
Total business in force, Dec., 1931—$19,447,343,949.
Total new ins. issued, revived and increased, 1931—$3,430,199,381.

FOREIGN BUSINESS OF CROWN LIFE GROWS RAPIDLY

One-third of New Insurance Now Written Outside Canada

Crown Life Insurance Co. with head office at Toronto, has been operating in Canada since 1901 and now carries on business in two states of the United States in Porto Rico, in Bermuda, Newfoundland, West Indies, Colombia, and Egypt. It now ranks among the first 12 Canadian insurance companies, and has total business in force of $136,684,000 and total assets of $16,654,000. New business paid for during the year was considerably lower than the previous year at $18,826,000 as compared with $24,488,000 the previous year. Nearly one-third of the company's total business is written outside Canada.

Analysis of the company's assets shows that mortgages now amount to $7,223,000 or 43 per cent of total assets, and the company reports that less than one-twentieth of one per cent of the principal was overdue as at December 31, 1931. Government and municipal bonds at $3,083,000 comprise 19 per cent of total assets; public utility and industrial bonds at $1,230,780, 7 per cent; and preferred and common stocks at $461,830, 3 per cent of the total. Loans on company's policies now amount to $2,928,000 which is approximately 17 per cent of the total.

Payments to policyholders during the year amounted to $2,109,510. After setting up statutory reserves for policyholders of $15,519,000 and meeting all other liabilities, the company at the end of 1931 showed a free surplus of $487,425 over and above capital stock of $229,697. The company in 1931 had an average rate of earnings on its invested assets of 6.19 per cent.

Officers—
Sir R. L. Borden, pres.; C. W. Somers, vice-pres.; J. S. Stevens, sec.; H. R. Stephenson, gen. mgr.; F. W. Hill, actuary; R. T. Couch, treas.

Directors—
Representing Shareholders: C. W. Somers, H. R. Stephenson, H. D. Burns, Toronto; G. A. Morson, Havana; G. O. Somers, Pasadena, Calif.
Representing Policyholders: Sir R. L. Borden, Ottawa; F. E. Brown, W. R. Morson, G. E. Spragge and W. F. Watkins, Toronto; Grant Hall, Montreal; F. R. McD. Russell, Vancouver.

Field of Operations—
Canada, Michigan, Washington, Porto Rico, Bermuda, Newfoundland, Cuba, Dominican Republic, Haiti, Jamaica, Colombia, Egypt.

Classes of Business Written—
Ordinary and group (participating and non-par. business).

Capital—
Authorized $1,000,000
Subscribed 552,500
Paid-up 229,697

Dividends Paid—6% per annum.

Growth of Business

Year	Assets ($ 000)	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1927	10,383	87,877	22,547
1928	12,928	105,705	23,601
1929	14,104	121,766	26,982
1930	15,388	134,337	24,488
1931	16,654	136,684	18,826

Occidental Life Completes Fourth Year in Canada

Occidental Life Insurance Co. of Los Angeles, California, operates in Canada under a Dominion license, having commenced business here in 1928. At the end of 1930, which is the last year for which complete figures are available, the company had assets in Canada totalling $608,276, of which $563,601 is on deposit in the form of bonds, debentures and debenture stocks with the receiver-general for the protection of shareholders.

Total insurance in force at December 31, 1930, was $9,815,550, all but about two million dollars being written on a participating basis. New insurance paid-for in that year amounted to $705,500.

Company's chief agent in Canada is J. A. Ovas, Winnipeg, Man.

NATIONAL LIFE LARGE HOLDER MUNICIPAL BONDS

Toronto Company Has Total Business in Force of $60,000,000

National Life Assurance Co. of Canada with head office at Toronto has been operating under a federal license since 1889. In that time, total assets have steadily increased and now amount to $11,168,000 while the company's business in force totals $60,590,000, practically all of which is in ordinary insurance with a small volume of group. New business paid for has declined considerably in the past three years.

Group insurance has shown considerable growth during the year, the amount of business in force being $488,000 as against $163,000 the previous year.

In addition to operating in all the provinces in Canada, the company also carries on business in Bermuda, the state of Michigan, U.S.A. The Bermuda agency has been established since 1909 while the company has been operating in Michigan since 1924.

High Bond Holdings

Analysis of the company's investments shows that ledger assets are valued at $10,688,000 at the end of 1931, of which 73 per cent was invested in bonds and nearly 3 per cent in stocks. The largest single group of investments is in municipal bonds which comprise 53 per cent of total ledger assets while Dominion, provincial and foreign bonds comprise 15 per cent of the total. Loans on company's policies amount to nearly 19 per cent of total assets, while first mortgages on real estate are a negligible quantity.

As at Dec. 31, 1931, the company set up an investment reserve of $200,000 and a contingency reserve of $25,000. After providing for all liabilities and setting up statutory policyholder reserves, according to government standards, of $9,727,000 the company shows free surplus of $374,300, over and above paid-up capital stock of $250,000.

During the year the company paid to policyholders and beneficiaries, $1,142,000, bringing the total so paid since the company's inception up to $10,324,000.

Officers—
A. H. Beaton, pres.; A. A. MacDonald, M.D., (Edin.), vice-pres.; F. Sparling, sec. and man.-dir.; J. W. Fisher, B.A., actuary.

Directors—
Representing Shareholders: A. H. Beaton, A. A. MacDonald, M.D., F. Sparling, Alfred Rogers, Toronto; Rt. Hon. G. P Graham, Brockville; Hon. R. Lemieux, K.C., Ottawa.
Representing Policyholders: Col. A. E. Kirkpatrick, E. W. Bickle, Toronto; Hon. E. M MacDonald, K.C., Pictou, N.S.

Field of Operations—
Canada, Bermuda, State of Michigan, U.S.A.

Classes of Business Written—
Ordinary and group. (participating and non-par. business).

Capital—
Authorized $1,000,000
Subscribed 1,000,000
Paid-up 250,000

Dividends Paid—10% per annum.

Growth of Business

Year	Assets ($ 000)	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1927	8,478	48,889	6,069
1928	9,339	54,034	9,502
1929	10,060	59,860	11,735*
1930	10,622	61,079	9,257*
1931	11,158	60,590	7,603*

*Includes ordinary and group.

Percentage Analysis of Assets

	1931 %	1930 %	1929 %
Bonds:			
Government	15.26	16.43	19.53
Municipal	53.02	53.05	51.53
Other	5.25	5.50	5.13
Total bonds	73.53	74.98	76.19
Stocks:			
Preferred	.48	.50	.53
Common	2.40	2.35	2.41
Total stocks	2.88	2.85	2.94
Mortgages	.14	.15	.15
Real estate	8.98	4.19	4.42
Policy loans	18.83	16.79	14.80
Other assets	.64	1.04	1.50
	100.00	100.00	100.00
Interest earned*	5.65	5.75	5.68

*On mean invested assets.

NORTHERN LIFE BUSINESS LOWER IN PAST YEAR

But Capital Impairment Wiped Out in 1931, Statement Shows

Northern Life Assurance Co. with head office at London reports business in force of $53,196,000 for the year ending December 31, 1931, which compares with $58,000,000 in force at the end of 1930. New business paid for during the year amounted to $4,939,400 as against $7,400,000 the previous year. Total assets now amount to $8,873,300 as compared with $8,334,700 at the end of 1930.

Of the company's total assets the largest individual item is mortgages which are held to the extent of $3,113,000 while bonds and debentures come second at $2,969,700. The former item is down $300,000 from a year ago while bonds and debentures are higher by nearly $600,000. Policy loans are higher at $1,500,000 while agreements for sale are shown at $219,000. Real estate other than the company's branch buildings at Toronto and Winnipeg is shown at $133,000 only $2,000 higher than a year ago.

Small Surplus Shown

According to the company's balance sheet submitted to The Financial Post the company has improved its position considerably during the year and now shows a surplus of $6,000 over and above capital stock paid-up of $250,000, as compared with a capital impairment of $113,600 a year ago. Investment reserve is also higher at $98,569 as against $31,529 a year ago.

Within the past week the announcement has been made of the appointment to the company's board of directors of Dr. Septimus Thompson and J. Gordon Thompson, both of London, Ont. Mr. Gordon Thompson is president of Supertest Petroleum Corp. and a director of Supertest Hosiery Mills.

Officers—
C. R. Somerville, pres.; R. G. Ivey, vice-pres.; R. C. MacKnight, gen. mgr.; C. R. Bissell, actuary.

Directors—
Representing Shareholders: C. R. Somerville, R. G. Ivey, Ray Lawson, J. E. McConnell, W. E. Robinson, F. A. McCormick, J. G. Thompson, S. Thompson, M.D., all of London.
Representing Policyholders: Major A. T. Little, J. S. Moore, Major G. J. Ingram, London.

Classes of Business Written—Ordinary and group (participating and non-par. business).

Capital—Authorized $1,000,000
Subscribed 1,000,000
Paid-up 250,000

Growth of Business

Year	Assets ($ 000)	Business in force ($ 000)	New Ins. paid for ($ 000)
1927	6,288	44,821	16,267
1928	7,070	55,546	17,385
1929	7,672	61,086	14,390
1930	8,324	57,900	7,401
1931	8,873	53,196	4,939

SASKATCHEWAN LIFE CONSERVING ASSETS

Business Declines But Financial Position Maintained in 1931

In view of general business conditions, in Western Canada, Saskatchewan Life Insurance Co. with head office at Regina, has concentrated in the last year or so, on conserving its assets with a view to serving in the best possible manner the interest of its policyholders most of whom have been severely hit by current business conditions in the west.

The company's 1931 statement shows that although business in force dropped from $14,400,000 to $10,385,000, the company maintained its assets at $2,197,000 as compared with $2,206,000 the previous year, while surplus to policyholders over and above capital stock actually showed an increase. New business paid for in 1931 amounted to $947,000 as compared with $1,182,000 the previous year, but the company adopted a more conservative policy during 1931 as regards the writing of business, as indicated by the fact that while new insurance paid for declined by only $240,000, business issued dropped from $4,000,000 to $1,563,000.

Of total assets of $2,197,000, the company has $915,000 invested in first mortgages; $390,000 in bonds and debentures, and $638,000 in policy loans. In addition to paid up capital of $100,000, the company has $230,000 in surplus account and $50,000 set aside as investment reserve. Surplus funds earmarked for deferred dividend policies and for dividends to other policyholders totalled $137,000.

Officers—
C. Willoughby, pres.; D. Low, M.D., vice-pres.; G. H. Barr, K.C., vice-pres.; M. B. Farr, gen mgr.; W. F. Curell, sec.; H. P. Morrison, actuary.

Directors—
Representing Shareholders: C. Willoughby, D. Low, G. H. Barr, K.C., W. H. Duncan, J. A. Cross, K.C., A. E. Whitmore, C. M. Willoughby, all of Regina; J. W. Sifton, Moose Jaw.
Representing Policyholders: I. H. Bowman, H. G. Smith, Regina; W. St. Germain, Gravelbourg, G. C. Thomson, Swift Current.

Classes of Business Written—
Ordinary (participating and non-par. business).

Capital—
Authorized $1,000,000
Subscribed 1,000,000
Paid-up 100,000

Dividends Paid—60c. per annum.

Growth of Business

Year	Assets ($ 000)	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1927	1,445	10,218	1,425
1928	1,781	12,067	2,468
1929	2,099	13,009	1,748
1930	2,206	14,421	1,182
1931	2,197	10,385	1,947

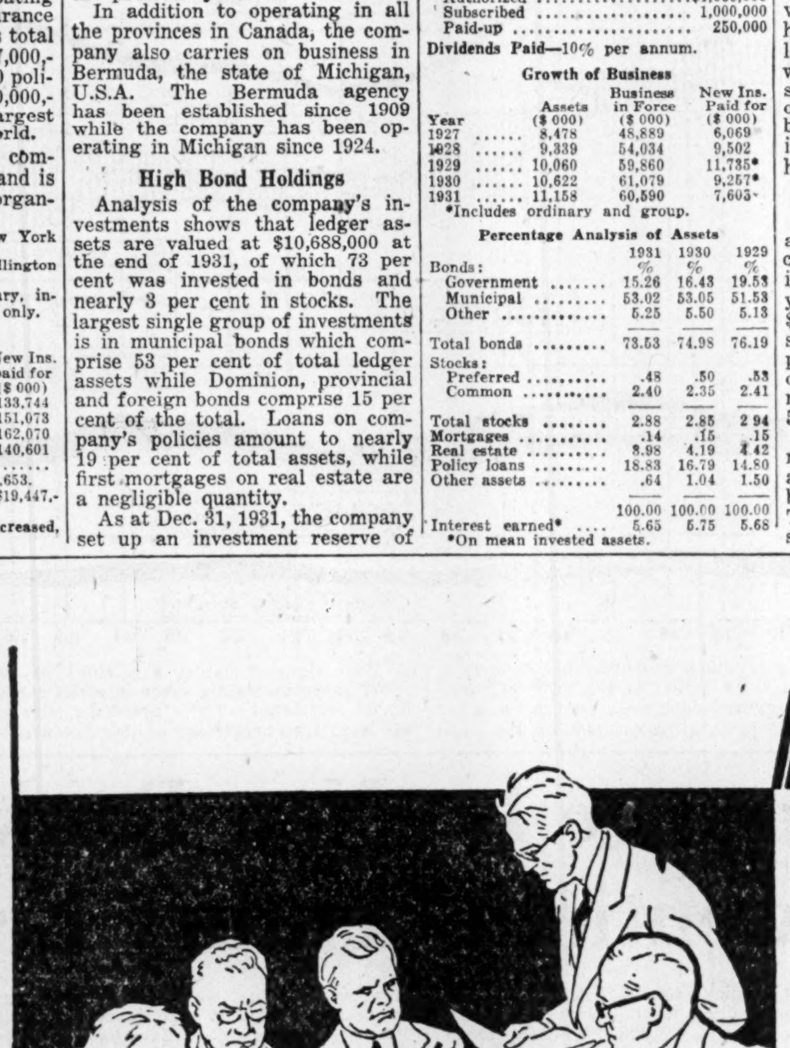
Union Mutual of Maine Has $7,600,000 on Books

Union Mutual Life Insurance Co., whose head office is at Portland, Maine, commenced business in Canada in 1868. Ordinary insurance only is written, this being all upon a participating basis.

Gross business in force in Canada at the end of 1931 was $7,612,364. New paid-for business has been averaging around $410,000 annually through the 1930 and 1931 figures showed some contraction in new business, being $306,000 and $386,650 respectively.

Assets in Canada totalled at the end of 1931, $2,767,509, of which $2,003,317 was lodged with the receiver-general in the form of bonds, debentures and debenture stocks, solely for the protection of Canadian policyholders.

The company's chief agent in Canada is Henri E. Morin, Montreal.



MORE than ever, life insurance is a boon to all—to the *Uninsured* as well as the *Insured.*

As its premiums accumulate they are promptly used to assist in purchasing homes, in aiding farmers and financing industry—thus keeping Canadian citizens gainfully employed.

It *insures more than Life*—it helps to provide work for the Breadwinner, and Food, Comfort and Shelter for his family.

in times like THESE

It supports the Nation, too—the collective enterprise of all the people. During the Great War, for instance, the Sun Life Assurance Company of Canada itself subscribed for $70,000,000 Canadian and allied government war loan bonds.

Last year the Sun Life subscribed $23,000,000 to Canadian government issues. A portion of the proceeds of these loans was to relieve unemployment. Even the *jobless* share indirectly in the benefits of life insurance.

The Sun Life is an important factor in restoring prosperity to Canada. For over sixty years it has been privileged to serve its policyholders and proud to serve the State. To-day, its world-wide organization and facilities make it more serviceable than ever to the whole community.

SUN LIFE ASSURANCE COMPANY OF CANADA

MANUFACTURERS SPREAD WINGS ACROSS WORLD

Almost Half Total Business Now Written Outside Canada

Manufacturers Life Insurance Company has been in business in Canada since 1887 and for nearly forty years has carried on a vigorous and expanding life insurance business in many parts of the world. Almost half of its business in force, which now amounts to $542,500,000 is outside Canada. On the basis of total business in force, the company ranks fourth among life insurance companies with head office in this country.

As at the end of 1931, the company had total assets of $115,527,000 of which 42 per cent was represented by bonds and debentures and 2.3 per cent by stocks. The company has 32 per cent of its assets in mortgages valued at $34,406,000, three-quarters of this total being invested in city loans, and one-quarter in farm property. Interest earned on mean invested assets was 6.22 per cent.

Bonds Since 1916

First mortgages on real estate comprised the company's chief investment until 1916 when bonds and debentures predominated, the latter in that year forming 39 per cent of the total assets with first mortgages, 38 per cent. Government and municipal bonds have always been the company's chief media for bond investment. In 1927, investment in public utility and other industrial bonds has steadily increased. A limited amount is also invested in Canadian school and rural debenture bonds.

In addition to operating in seven of the United States, namely, California, Illinois, Michigan, Ohio, Oregon, Pennsylvania, and Washington, the company also operates in 35 foreign countries, including Great Britain, India, China, Japan, South Africa, British West Indies, and Central America. Foreign business in force at the end of 1931 amounted to $256,313,000. The company also has $6,700,000 of group business in force.

During 1931 payments to policyholders and beneficiaries amounted to $14,318,000 bringing the total sum paid since organization to $105,600,000. In addition to statutory reserves for policyholders of approximately $99,285,000, the company shows a free surplus over and above capital stock of $2,779,000 and also a contingency reserve of $500,000 and a reserve for policyholder dividends of over $6,000,000.

Capital stock is $1,500,000 paid up which is largely held by members of the Gooderham family, Toronto. The company operates under a federal insurance license.

Officers—W. G. Gooderham, pres.; M. Ross Gooderham, K.C., vice-pres. and gen. counsel; J. H. Lithgow, gen. mgr. & actuary; E. S. Macfarlane, sec.; L. A. Winter, treas.; H. C. Cruickshank, med. off.; A. MacKenzie, mgr. of agencies; R. A. Dowsett, asst. sec.; G. L. Holmes, H. J. Stowe, asst. actuaries.

Directors—

Representing Shareholders: W. G. Gooderham, M. R. Gooderham, K.C., G. H. Cassels, K.C., W. Stone, all of Toronto; Col. A. L. Bishop, St. Catharines.

Representing Policyholders: R. A. Daly, F. G. Osler, D. G. Ross, all of Toronto.

Field of Operations—Canada, state of California, Illinois, Michigan, Ohio, Oregon, Pennsylvania, and Washington; also Alaska, Antigua, Barbados, Bermuda, British Guiana, British Honduras, Ceylon, China (Treaty Ports), Colombia, Cuba, Curacao, Dutch Guiana, Egypt, Federated Malay States, Great Britain & Northern Ireland, Grenada, Guatemala, Haiti, Hawaii, Hong Kong, India, Jamaica, Japan, Newfoundland, Nicaragua, Panama Canal Zone, Philippine Islands, Porto Rico, Salvador, Santo Domingo, Siam, South Africa, Straits Settlements, Trinidad, Virgin Islands.

Classes of Business Written — Ordinary (participating and non-par. business) Group, Sinking Fund.

Capital—Authorized $3,000,000
Subscribed 1,500,000
Paid-up 1,500,000

Dividends Paid on Capital Stock—10 per cent per annum.

Growth of Business

Year	Assets $	Business in Force $000	New Insur. Paid For* $000
1927 ...	76,483,180	402,554	70,820
1928 ...	87,620,439	453,324	79,890
1920 ...	99,435,575	504,481	86,552
1930 ...	109,027,467	529,985	75,301
1931 ...	115,527,218	542,450	69,217

*Includes Ordinary and Group.

Percentage Analysis of Assets

	1931 %	1930 %	1929 %
Bonds:			
Government	12.5	10.4	11.2
Municipal	13.1	12.2	13.2
Other	16.4	17.7	16.5
Total bonds	42.0	40.3	40.9
Stocks:			
Preferred	.9	.8	.3
Common	1.4	1.1	.5
Mortgages	31.8	35.7	37.5
Real Estate	2.4	2.3	2.5
Policy loans	20.6	18.9	17.2
Other assets	.9	.9	1.1
	100.0	100.0	100.0
Interest earned on mean invested assets	6.22	6.28	6.48

T. EATON LIFE CO. HAS RAPID GROWTH

Employee Concern Now Does Big Mail Order Insurance Business

T. Eaton Life Assurance Co. was incorporated in 1920 to carry group insurance on the employees of the T. Eaton Company. The company has grown steadily since that time and now has business in force of $27,000,000, and total assets of $3,776,000. For several years now it has operated a mail order insurance business among the company's customers in addition to its employee insurance.

As stated above, it was originally intended to operate for the company as a group insurance plan, but this was later dropped and the company's employees canvassed as individuals in the ordinary way.

In 1926, an intensive mail order campaign was inaugurated which has been successfully carried on ever since and now the company writes about a third of its total business outside of its employees. The company writes only on three plans, namely: ordinary life, 20-pay life, and 20-year endowment. Its business outside the company is entirely on a participating basis.

Officers—

R. Y. Eaton, pres.; H. McGee, 1st vice-pres.; C. Boothe, 2nd vice-pres.; J. J. Vaughan, sec.-treas.; J. A. Livingstone, mgr.; A. E. Harkness, actuary.

Directors—

Representing Shareholders: R. Y. Eaton, H. McGee, C. Boothe, J. J. Vaughan, Lady Eaton, W. G. Dean, Mrs. J. S. Burnside, C. N. Mills, G. T. Wolfe, T. A. McCrae, all of Toronto; H. M. Tucker and S. Wilson, Winnipeg.

Representing Policyholders: J. A. Livingstone, J. Elliott, J. E. Hodgson, J. G. McKee, T. C. Musgrave, all of Toronto; J. E. Dodds, Montreal.

Capital—Authorized $500,000
Subscribed 250,000
Paid-up 100,000

Growth of Business

Year	Assets ($ 000)	Business in force ($ 000)	New Ins. paid for ($ 000)
1927	1,413	12,903	4,351
1928	1,966	17,852	5,877
1929	2,563	22,888	6,615
1930	3,181	26,305	5,579
1931	3,776	27,070	3,527

Convert Wood Chips Into Pulp

The manufacture and shipping of wood chips for pulp making has been developing into an important industry at Englewood, on Vancouver Island, and a total of 60 tons are being shipped daily by the Wood and English Logging Company to paper mills at Port Townsend and Port Angeles in the State of Washington. The company installed special chipping equipment in October last and employs about 150 men.

Insurance as Investment Boasts Perfect Score

Meets All Tenents of Good Investment According to Noted Authority

By S. S. HUEBNER

Professor of Insurance, Wharton School of Commerce and Finance University of Pennsylvania and Dean, American College of Life Underwriters

During a period of business convulsion, like the one of the past two years when at least one-half of all estates on this continent have shrunk by at least one-half in their dollar valuation, it is only natural for the mind to turn toward conservative and sound investment channels.

Life insurance offers to all—to poor and rich alike—an absolutely sound and reasonably profitable investment programme, so designed as to offer the service of systematic accumulation on the installment plan, extending over a considerable period of years, and if desired over the whole of the working period of life. There never was a time during the past forty years when life insurance offered a finer opportunity to the public for convenient thrift and sound investment.

Is Organized Plan

Historically, life insurance seems to have been the first correctly organized plan of installment investment. It represents two simple complementary financial accounts. One is a gradually growing investment account which finally reaches the face of the contract at its due date. The other is a decreasing term insurance account which starts with almost the face of the insurance, and then as the premiums are paid, keeps on decreasing in just the proportion that the investment account keeps on increasing. When the investment fund reaches 100 per cent of the face of the contract, the decreasing term insurance has been exhausted to zero. Each premium consists of two parts; one paying for the annual decreasing term insurance, which protects the investment years, and the other (usually and it is hoped the larger) consisting of the investment portion.

Considering all the attributes of a good installment plan of investment, designed to build an estate during the span of the working life, legal reserve life insurance stands without a peer. From the standpoint of solvency record—safety of principal—legal reserve Life Insurance has had a well nigh perfect record during the past thirty years in both the United States and the Dominion of Canada.

Interest Yield High

The compound interest yield on the investment portion is reasonably high, in view of the gilt-edged nature of the investment, ranging with the various companies from 4¾% to 5%. Moreover, the investment is always non-fluctuating in its dollar value. It also frees the insured from all the hazards of individual selection of investments. It gives the finest spread of investment risk known to man, since a cash value of $10,000 with a company having 10,000 different investments may be said approximately to represent an investment of $1 in each of about 10,000 different investments. It also frees the individual from all managerial care, such as investigation, reinvestment—yes, even the clipping of coupons.

After the first few years, no other investment is more readily available in cash by way of surrender when the acid test of an emergency arises. No other investment is more suitable for quick borrowing. No other type of investment offers for the mass of people a more convenient denomination, or a smaller periodic payment on the installment plan.

The investment also stands in a most favored position, when payable to a named beneficiary, as regards the application of provincial inheritance and death duty taxes. In addition to all of these advantages, the gilt-edged life insurance investment always has in it a tremendous speculative possibility, which, however, always works favorably to the insured and never against him. Should premature death occur when only one or a few deposits have been made, the whole investment, to the extent of the full face value of the policy, is at once fully realized. Moreover, should there be a desire at any time to discontinue the installment plan of investment, full title to that which has been attained is given to the insured.

Score 100 Per Cent

Thus far thirteen attributes of a good installment plan of investment have been referred to, and with respect to all, life insurance is 100 per cent. But when all is said and done, an installment plan of investment is inherently associated with the element of time. The vital part of a 20 or 30-year installment investment programme is the 20 or 30 years involved. It takes time to accumulate an investment estate. The years involved need to be insured against loss under any installment plan of investment, be it via bonds, stocks, mortgages, savings bank accounts, building and loan association accounts, etc. To do otherwise constitutes gambling.

The function of the decreasing term insurance in the life insurance investment account is to obviate the gamble of losing the necessary investment years. It represents the cancellation of the unpaid installments when the Almighty cuts short the working span of life. It represents the completion guarantee element in the investment contract, which guarantees the completion of that which death prevents the individual from completing himself.

Life insurance is an all round 100 per cent installment plan of investment. It should not be viewed lightly in a time like the present. It is a most democratic form of investment, being available to poor and rich alike, and on exactly the same terms.

EXCELSIOR LIFE CONFINES WORK TO DOMINION

Organized 1897 and Now Has $98,000,000 of Business in Force

Excelsior Life Insurance Company has been operating in Canada under a federal license since 1897. It has now total assets of $18,498,000 and total business in force as at the end of 1931 of $98,000,000. A year ago the company passed the $100,000,000 mark of business in force, of which all but a few thousand dollars is in ordinary business. The company has a few industrial policies on its books. Business written during 1931 totalled $19,000,000 although paid for business amounted to only $12,050,000.

Analysis of the company's investments show 47 per cent of ledger assets to be invested in bonds and debentures and 1.7 per cent in stocks. Until 1916, first mortgages on real estate were practically the sole investment of the company, but their place as the company's chief investment has been taken by bonds and debentures, and mortgages now form only 23 per cent of total assets, at $4,123,000.

In addition to statutory reserves for policyholders of $15,358,000 the company has increased its surplus, over and above all liabilities and capital stock, to $1,454,000 and also has a contingency investment reserve of $400,000.

Officers—Alex. Fasken, K.C., pres.; J. L. Ross, 1st vice-pres.; G. R. Warwick, 2nd vice-pres.; A. Campbell Galbraith, gen. mgr.; C. P. Muckle, sec.-treas.; T. A. Dark, actuary; A. W. Johnston, asst. actuary; T. O. Cox, supt. of agencies; J. N. Babcock, asst. supt. of agencies; A. P. Johnston, acct.; C. Q. Parker, investment mgr.; John Ferguson, medical referee.

Directors—

Representing shareholders: Alex. Fasken, J. L. Ross, S. F. Duncan, F. E. Maulson, H. S. Gooderham, A. Matthews, Toronto; G. E. Weir, Dresden, Ont.; G. S. Kilbourn, Owen Sound.

Representing policyholders: G. R. Warwick, Toronto; G. B. Nicholson, Chapleau, Ont.; Pierre F. Casgrain, K.C., Montreal; Stuart Cameron, Vancouver.

Field of Operations—Canada.

Classes of Business Written — Ordinary, (participating and non-par. business); industrial.

Capital—Authorized $500,000
Subscribed 500,000
Paid-up 150,000

Dividends Paid on Capital Stock—8% per annum.

Growth of Business

Year	Assets $	Business in force ($ 000)	New ins. paid for* ($ 000)
1927	13,327,152	76,387	11,716
1928	14,797,720	85,273	14,592
1929	16,329,440	92,859	12,330
1930	17,459,227	100,082	13,519
1931	18,497,608	98,020	12,050

*Ordinary only.

Percentage Analysis of Assets

	1931 %	1930 %	1929 %
Bonds:			
Government	18.9	17.7	18.6
Municipal	15.6	16.8	17.8
Other bonds	12.2	12.7	13.1
Total bonds	46.7	47.2	49.5
Stocks:			
Preferred	1.0	1.1	.9
Common	.7	.2	.2
Mortgages	23.4	26.2	25.6
Real estate	7.9	6.8	7.3
Policy loans	19.8	18.2	15.8
Other assets	.5	.3	.7
	100.0	100.0	100.0
Int. earned*	5.72	5.88	5.92

*On mean invested assets.

AUSTRALIA FIRM'S CANADA BUSINESS TOPS $34,000,000

Mutual Life & Citizens Has Had Steady Growth

Mutual Life and Citizens' Assurance Co., the head office of which is at Sydney, New South Wales, Australia, commenced business in Canada toward the end of 1913, operating under a Dominion licence. Total assets in Canada at December 31, 1931, amounted to $6,358,123.

Company writes both ordinary and industrial business, the total in force in Canada at the end of 1931 reaching a peak of $34,356,302, of which $15,994,916 was industrial. New paid for business obtained in 1931 amounted to $5,910,806, which is fractionally below the average for the preceding four years.

Total assets in Canada at the end of 1930, the latest for which full figures are available, amounted to $5,242,975, of which $4,847,307 was held solely for the protection of Canadian policyholders. This was represented by deposits with the receiver general at Ottawa of Australian Government, state and other municipal bonds and debentures.

The company's manager for Canada is J. P. Moore, Montreal.

Head Office—Sydney, N.S.W., Australia.
Head Office in Canada—455 Craig St. W., Montreal, P.Q.
Classes Written in Canada—Ordinary and industrial. Par. and non-par.

Growth of Business

Year	Assets ($ 000)	Business in force ($ 000)	New Ins. paid for* ($ 000)
1927	3,460	29,483	10.111
1928	4,278	30,522	6,633
1929	4,521	32,473	5,796
1930	5,243	33,437	5,317
1931	6,358	34,356	5,911

*Ordinary and industrial, gross.

Dominion of Canada Has $7,800,000 Life

As part of its comprehensive coverage of the casualty and accident insurance field, the Dominion of Canada General Insurance Company of which Col. A. E. Gooderham is president pays for annually approximately $1,500,000 of life insurance each year.

The company has now in force $7,824,000 of business with assets applicable to life insurance of $641,000. New insurance paid for during 1931 amounted to $1,470,000. In addition to ordinary business on both participating and non-participating basis the company also writes a small valume of group insurance.

Officers—

Col. A. E. Gooderham, pres.; Major A. E. Gooderham, Jr., and D. G. Ross, vice-pres.; H. W. Falconer, man. dir.; J. C. Dodds, treas.; J. C. Stuart, gen. supt.

Directors—

Col. A. E. Gooderham, Major A. E. Gooderham, Jr., Col. G. G. Blackstock, G. H. Gooderham, D. G. Ross, E. D. Gooderham, H. W. Falconer, all of Toronto.

Growth of Business

Year	Assets ($ 000)	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1927	220	4,090	1,549
1928	324	5,777	1,945
1929	425	6,584	1,588
1930	541	7,463	1,477
1931	641	7,824	1,407

We Built Our Business For Days Like These

The London Life was founded in 1874, during one of the longest periods of depression Canada has seen. Then came the business upheavals of 1879, 1893, 1907, 1914 and 1921. The lessons of the early days have not gone unheeded.

The present depression finds us with policy reserves on a standard higher than that in use by any similar company on the American continent.

Our invested assets are non-speculative and divided as follows:

66% First Mortgages
17% Government and Municipal Bonds and Debentures
11½% Policy Loans
3% Miscellaneous Bonds
2½% Loan Company and Consumers' Gas Stock, real estate, etc.

Interest earned yearly has averaged not less than 6.45% gross for more than two decades.

The financial strength of the London Life and the security back of its policies were not attained by accident: our business was built to meet the emergencies of days like these.

London Life
Insurance Company
"Canada's *Industrial-Ordinary* Company"
HEAD OFFICE • LONDON, CANADA

Confidence
. . . Earned by Integrity
Proven by Steady Growth

THE steady, consistent growth of the Ontario Equitable Life and Accident Insurance Company reflects the confidence which the Canadian public have placed in the future of this progressive company.

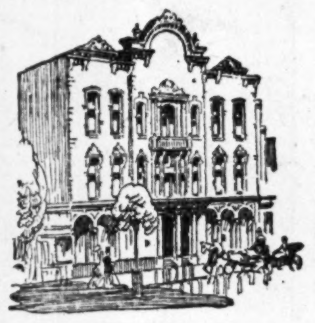
A Dominion-wide organization, The Ontario Equitable Life and Accident Insurance Company is an institution of unassailable financial strength, with assets of over $8,000,000, and with insurance in force of over $51,000,000. Its assets are invested in Canada, and it is a definite factor contributing to national development.

Because of efficient management and low operating expenses, this company is able to offer insurance at low cost to meet the need for adequate protection. A wide-spread agency force is prepared at all times to offer the highest class of service to every policy-holder. Ontario Equitable agents are men of training and efficiency, well equipped to prescribe for the insurance needs of the public.

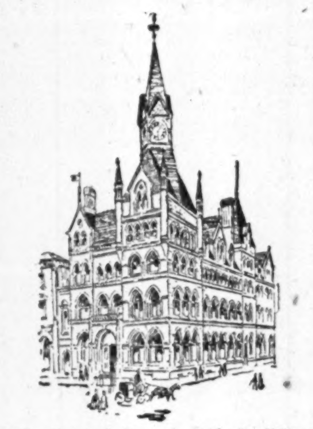
If you are considering Life Insurance, get in touch with a representative of this company. He can render you valuable service in planning your insurance.

THE ONTARIO EQUITABLE
LIFE AND ACCIDENT INSURANCE COMPANY
President, Hon. Chas. A. DUNNING
HEAD OFFICE WATERLOO, ONTARIO

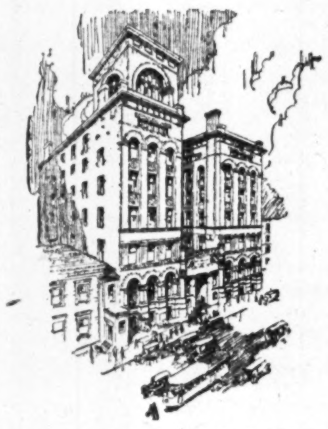
2245



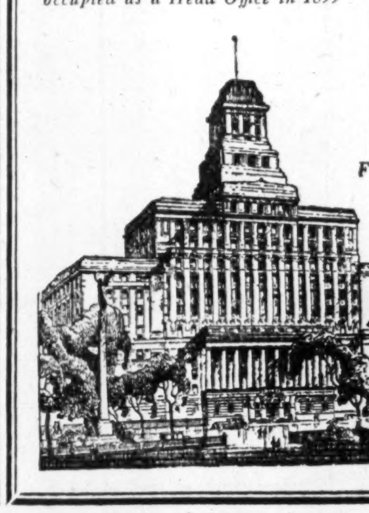
The First Canada Life Building—1856



The Second Canada Life Building—1883



The Third Canada Life Building occupied as a Head Office in 1899



The First Unit of the Fourth Head Office Building—1931

The Story in Brief of Eighty-Five Years' Progress

THE entry of the Canada Life into its new Head Office Building a year ago marked but another step in this Company's progress and expansion, which has been continuous for eighty-five years.

Hard work, economical management, sound business and investment policies rigidly adhered to by the Canada Life, have undoubtedly been responsible for its record of success.

The Company was established in 1847, being the first life insurance company in Canada. Mr. Hugh C. Baker, its first President, had been obliged to travel from his home in Hamilton, Ontario, (a long journey at that time) by saddle, steamboat and stage to New York City; all for the purpose of insuring his life. His enthusiasm for the life insurance idea was great, and he afterwards founded the Canada Life. In the evenings he could be seen at the window of a rented room which was the Canada Life office, writing policies by hand, under the light of an oil lamp. From such small beginnings the Canada Life has sprung.

The Company prospered, and in 1856 the first Head Office Building was erected in Hamilton, Ontario. Greater success followed as a result of its new equipment and efforts to serve the public, and the Company outgrew one building after another.

Space to accommodate a Company growing as rapidly as the Canada Life is difficult to obtain and only at high rentals, and experience has shown the advantage and profit of making adequate provision for growth. The wisdom of property investment and ownership of its own Head Office Buildings has been proven over and over again by the Canada Life. Over a period of years the ownership of Head Office Buildings has worked out to the advantage of the Company and its policyholders.

The present Canada Life Building, occupied on March 23rd, 1931, is the fourth Head Office made necessary by the Company's expansion. Five buildings at the corner of Bay and King Streets, Toronto, were required to house the Head Office staff for several years prior to its removal to the new Head Office Building.

The new building is but the first unit of a carefully considered building program, which anticipates many years of continued expansion and success.

The CANADA LIFE
Assurance Company
ESTABLISHED 1847

SUN OF CANADA TOTAL BUSINESS THREE BILLIONS

Largest Canadian Life Insurance Company Has Assets of $625,000,000

BIG STAKE ABROAD

Of $527,000,000 New Business in 1931 Only $100,000,000 Was Paid For in Canada

Sun Life Assurance Co. of Canada is the largest insurance institution in this country, and in addition to operating in all parts of Canada, the company's operations extend practically throughout the entire world with the exception of Australasia, and continental Europe.

Incorporated in 1865 as "Sun Insurance Co. of Montreal," the company was originally organized to carry on a general insurance business. Six years later its name was changed to the Sun Mutual Insurance Co. of Montreal and its business confined to life and accident insurance. Its first policy was not written until 1871 when both life and accident insurance were under written, the latter department operating until 1893, when it was closed.

Pioneered Abroad

In 1882, its name was changed to its present title, and in 1880 it entered its first foreign field opening an agency in British West Indies. In 1894 it commenced business in England and a year later opened an office in Detroit, thus marking its entry into the United States field. Since its incorporation the company has absorbed some 12 or 13 other life insurance companies, extending over a period from 1890 until 1928 when the business of the Western Union Life Insurance Company of Spokane amounting to $84,500,000 was taken over.

As at the end of 1931, the company had total assets of $624,804,000, the most important feature of which is the fact that since 1902 the company has pioneered in the purchase of industrial securities as investments, its first venture being in the public utility field in that year.

Common Stock Portfolio

Since the war the company has achieved considerable publicity on account of the fact that its holdings of high-grade common, industrial and public utility and stocks have gradually increased from 3.3 per cent of total ledger assets in 1920, to a peak of 53.9 per cent in 1929. As at the end of 1931, common stocks were just under 50 per cent of total ledger assets and were shown at $293,695,000. This figure is on the basis of values allowed by the Federal Insurance Department for 1931. Bond holdings of the company showed a considerable increase to the end of 1931, and totalled $119,233,000 as compared with $87,252,000 the previous year. Only $30,837,000 is invested in first mortgages on real estate. Loans to policyholders amount to $87,175,000.

According to legislation introduced in the federal parliament this year, it is expected that henceforth insurance companies in Canada will be prohibited from investing more than 25 per cent of their assets in common stocks. If such legislation becomes effective, it will have an important effect on the Sun Life policy in regard to investments since the proposed legislation also provides that at the time such a restriction becomes law, any company holding more than 25 per cent of its assets in common stocks shall be prevented from purchasing any additional common stocks until its assets comply with the 25 per cent regulation.

Heads Group Field

In addition to leadership in the ordinary insurance field in Canada, The Sun Life also leads in group insurance, having at the end of 1931, 1,218 policies in force, or a total amount of $368,301,000 new group business paid for in 1931 covered 129 policies, or a total of $54,516,000. Of the company's total business in force over two-thirds is represented by policies written outside of Canada. Business paid for in 1931 totalled $527,939,000 as compared with $705,679,000 in 1930. Of the 1931 total over $100,000,000 was secured in Canada, $291,000,000 in United States, over $50,000,000 in Great Britain and $85,000,000 from the rest of the world.

During 1931 the company paid to policyholders and beneficiaries $93,235,000, of which $69,000,000 was paid to living policyholders, and the remainder to beneficiaries. This brings the total payment to policyholders and beneficiaries, since organization, up to $594,185,000. After setting up statutory reserves for policyholders of $513,000,000 the company at the end of 1931 showed a surplus over all liabilities of $16,345,000, exclusive of paid-up capital stock of $2,000,000.

Officers—T. B. Macaulay, pres. A. B. Wood, vice-pres. and man. dir.; E. A. Macnutt, vice-pres. and treas.; H. W. K. Hale, sec.; C. S. V. Branch, E. E. Duckworth and D. L. Macaulay, asst. secs.; G. W. Bourke, actuary; J. J. Cooper, J. B. Mabon and C. D. Rutherford, asst. actuaries; H. P. Thornhill, asst. treas.; J. W. Brown, investment sec.; J. W. Simpson, chmn. agency executive committee; J. S. Ireland, F. D. Macorquodale, H. M. Moore, W. S. Penny, P. W. Ward, supts. of agencies; G. H. Harris, supv. field service bureau; C. E. Reid, supv. group dept.; J. A. Ewing, K.C., legal adviser; C. C. Birchard, chief medical officer; J. K. Gordon, A. W. Young, asst. medical officers; W. F. Hamilton, consulting medical referee; H. O. Leach, gen. mgr. British dept.; I. A. Miller, res. act'y., British dept.

Directors—
Representing shareholders: T. B. Macaulay, A. B. Wood, R. Adair, E. W. Beatty, K.C., J. R. Dougall, Sir H. S. Holt, J. W. McConnell, Carl Riordon, Hon. L. C. Webster, all of Montreal; Hon. L. A. Taschereau, Quebec; Hon. J. C. Tory, Halifax.
Representing policyholders: W. M. Birks, Hon. R. Dandurand, K.C., R. H. McMaster, J. W. Ross, all of Montreal; C. B. McNaught, Toronto.

Field of Operations—Canada, Newfoundland, Bermuda, 41 states, districts and territories of the U.S.A., Cuba, Porto Rico, Santo Domingo, Haiti, Philippine Islands, British Honduras, San Salvador, Spanish Honduras, Nicaragua, Guatemala, British West Indies, Colombia, British and French Guiana, Peru, Chile, Argentine Republic, Great Britain, Northern Ireland, Irish Free State, Malta, Siam, Syria, Palestine, Union of South Africa, Southern Rhodesia, Egypt, India, Burmah, Ceylon, Straits Settlements, Java, China and Japan.

Classes of Business Written—Ordinary (participating and non-par. business), group.

Capital—Authorized $4,000,000
Subscribed 2,000,000
Paid-up 2,000,000

Growth of Business

Year	Assets $	Business in force ($ 000)	New ins. paid for* ($ 000)
1927	401,305,884	1,487,991	236,608
1928	488,958,707	1,896,916	455,919
1929	568,197,955	2,401,287	662,722
1930	588,733,682	2,863,701	704,635
1931	624,804,455	3,051,077	527,635

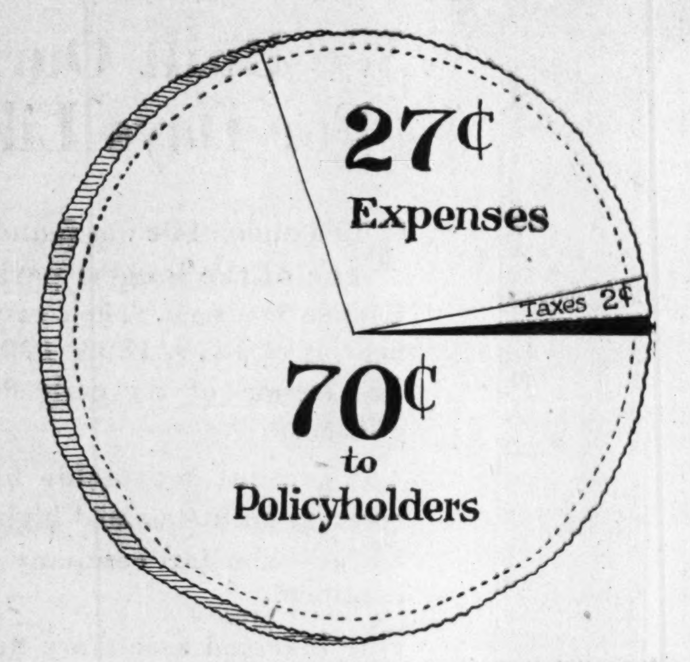
*Includes ordinary and group

Percentage Analysis of Assets

	1931	1930	1929
Bonds:			
Government	6.5	3.7	4.8
Municipal	2.6	2.3	2.3
Other	11.5	9.9	11.7
Total bonds	20.6	15.9	18.8
Stocks:			
Preferred	5.7	5.6	3.7
Common	48.9	52.8	53.9
Mortgages	5.0	5.6	6.6
Real estate	4.3	4.3	2.4
Policy loans, etc.	14.1	12.9	13.4
Other assets	1.4	2.9	1.2
	100.0	100.0	100.0
Int. earned*	5.18	6.12	6.67

*On the mean invested assets.

How Insurance Dollar Was Spent in 1930



Black Segment (1 cent) represents shareholders dividends

The above sketch by The Financial Post shows how companies reporting to the federal insurance department in 1930 apportioned their disbursements in that year. In the last two decades, the amount disbursed to policyholders has doubled every six years.

AETNA LIFE HAS BIG GROUP COVER

Total Paid-for Business, in Canada, Averages $9,000,000

Commencing business in Canada in 1850, Aetna Life Insurance Co. is probably the oldest American company operating in the Dominion. Company writes ordinary and group insurance, the business in force in Canada having reached a peak of $105,947,000 in 1929. In both 1930 and 1931 the figures have shown a recession, the 1931 figures showing gross paid for business in force of $92,257,800 as compared with $99,738,986 in 1930. Of the 1931 total, group insurance in force amounted to $35,435,000 and ordinary business $56,822,400.

New paid-for business for 1931 totalled $10,245,233, divided as follows: ordinary, $4,018,183; group $902,000 on new policies; group $5,325,000 on old policies. While this total is higher than the average for recent years, it was nearly ten million dollars lower than the high record set in 1929 when new paid-for business totalled nearly $19,500,000.

Assets in Canada at the end of 1930 amounted to $12,805,116, of which $10,316,604 was held on deposit by the receiver-general in the form of bonds, debentures and debenture stocks for the protection of Canadian policyholders. Assets at the end of 1931, totalled $12,949,299.

The chief agent of the company in Canada is E. J. Christmas, Montreal.

Head Office—Hartford, Conn., U.S.A.

Head Office in Canada—160 St. James St., Montreal.

Classes Written in Canada—Ordinary and group. Par and non-par.

Growth of Business in Canada

Year	Assets ($ 000)	Business in force ($ 000)	New Ins. paid for ($ 000)
1927	10,402	85,243	9,211
1928	10,318	86,312	7,210
1929	11,551	105,947	19,479
1930	12,805	99,739	9,287
1931	12,949	92,258	10,245

Total Assets, December, 1931—$440,054,730.
Total Insurance in Force—$3,780,882,821.
New Paid For Business Issued—$381,438,007.

CONTINENTAL LIFE BUSINESS IN FORCE NOW $38,800,000

Business Paid for Totalled $4,300,000 in Past Year

Continental Life Insurance Co. with head office at Toronto, was incorporated in 1889 under Ontario Letters Patent. Two years later a Dominion license was obtained. Since that time the company has expanded its business to all parts of Canada, and at the end of 1931 had total business in force of $38,809,000, practically all of which was in ordinary life insurance. The company has a small volume of group business.

Total assets as at the end of 1931 amounted to $7,539,000 of which bonds and debentures formed the largest share at $2,585,000, followed by first mortgages on real estate at $2,299,000, and loans on company's policies at $1,326,000.

Has Excess Values

The company reports that the amounts at which invested assets are carried in its balance sheet is considerably below total present market values. Holdings of stock are shown at $256,854 which is taken in as at December 31, advantage not being taken of the government values allowed by the Federal Insurance Department.

In addition to statutory reserves for policyholders on the basis of federal government requirements amounting to $6,635,000, the company shows a free surplus of $348,000 over all liabilities and also the sum of $81,000 allotted as surplus to deferred dividend policyholders.

During 1931 the company issued $6,516,555 of business (including reinstatements) and paid for $4,300,000 as compared with corresponding figures of $8,650,800 and $5,815,000 in 1930.

Officers—
G. B. Woods, pres.; Dr. H. W. Aikins, 1st vice-pres.; S. Jones, 2nd vice-pres.; N. J. Lander, sec.; J. Hunter, actuary.

Directors—
Representing Shareholders: G. B. Woods, Dr. H. W. Aikins, S. Jones, N. L. Paterson, R. Southam, W. A. Medland, W. A. Denton, G. H. Smith, G. H. Fensom, all of Toronto; Sir G. Garneau, Quebec.
Representing Policyholders: E. E. Sharpe, Winnipeg; J. W. Hobbs, J. T. Richardson, G. H. Muntz, all of Toronto; W. A. Dryden, Brooklin.

Classes of Business Written—
Ordinary and group. (participating and non-par. business),

Capital—
Authorized $1,500,000
Subscribed 1,000,000
Paid-up 200,000

Growth of Business

Year	Assets ($ 000)	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1927	5,731	32,779*	5,069*
1928	6,301	36,417*	5,934*
1929	6,861	38,872†	6,005†
1930	7,204	40,203†	5,815†
1931	7,539	38,809†	4,300†

*Ordinary. †Ordinary and group.

In 1931

The Company's Financial Stability enabled it not only to meet all normal demands, but the unusual strains of a period of depression as well.

Paid to Policyholders	$ 567,219.39
Profits for Distribution to Policies	$ 385,249.00
Investment, Contingency and Surplus	$ 440,010.12
Income During Year	$1,160,850.84
Reserves for Policy Contracts	$4,970,971.00
Total Assets	$6,250,370.97

Bonds, Mortgages and Policy Loans constitute 93.5% of total Investments. After providing for all specific obligations, Surplus Funds for Profits and General Security amount to $616,472.73.

Assets exceed fixed Liabilities by 14%

THREE WINNERS every business man should be familiar with are this Company's:—

APPLIED PROFITS POLICY:
Providing for reduced premiums after the first ten years.

FAMILY SECURITY POLICY:
Giving the **maximum** family protection at the lowest cost.

BUSINESS OR PARTNERSHIP POLICIES:
For the protection (possibly salvation) of your business in the event of the death of a valuable executive.

The Sovereign Life
Assurance Company of Canada
Head Office - Winnipeg
Safety of Principal Certainty of Profit

DOMINION LIFE BUSINESS IN FORCE NOW $150,000,000

Waterloo Company Takes Steps to Conserve Assets in 1932

Dominion Life Assurance Company with head office at Waterloo has been doing business in Canada under a Dominion charter since 1889. It now ranks among the first 12 insurance companies with head office in Canada, and as at the end of 1931 had total business in force of $150,000,000. Practically all of this was in ordinary business, although the company has 16 group policies for a total amount of $1,642,000.

Analysis of the company's assets shows 48.9 per cent of ledger assets is invested in mortgages, with a book value of $12,484,000. Bonds and stocks held total 33 per cent of ledger assets, and have a ledger value of $8,431,000. Of bonds and stocks held, corporation bonds are the largest individual group having a ledger value of $5,315,000 and comprise 21 per cent of total ledger assets. Stocks held by the company comprise 4.8 per cent of total ledger assets.

During 1931, payments to policyholders and beneficiaries amounted to just over $3,000,000, bringing the total so paid since organization to over $19,000,000. Statutory reserves against policies amounted at the end of 1931 to $20,491,000 while in addition the company showed $1,417,000 in policyholders' surplus fund, exclusive of paid-up capital of $200,000. Of the surplus, $1,058,000 was contingently allotted to policyholders and the remainder held as free surplus.

In 1931 the company decided to defer dividends to policyholders as at July 1. Under this plan all surplus earnings which normally would accrue to policyholders for the period from July 1, 1931, to June 30, 1932, are to be set aside as a policyholders reserve and will eventually be paid to them.

In addition to transacting business in all parts of Canada, the Dominion Life also operates in Newfoundland, Jamaica, and in the state of Michigan, U.S.A.

In 1931 the company issued new and revived policies of $25,003,000 of which $19,087,000 was paid for in cash. Of the latter total $791,100 was for seven group policies. The corresponding figures of business issued and paid for in 1930 were $27,297,400 and $22,157,800 respectively.

Officers—Ford S. Kumpf, pres. and man. dir.; E. F. Seagram, G. D. Forbes and G. A. Dobbie, vice-presidents; A. N. MacTavish, actuary; J. K. Pickett, sec. and asst. man.; Herb. Schaus, treas.

Directors—
Representing Shareholders: F. S. Kumpf, E. F. Seagram, T. Hilliard, M.D., W. L. Hilliard, M.D., C. W. Wells, D.D.S., Waterloo; G. D. Forbes, Hespeler; G. A. Dobbie, Galt; J. H. Gundy, Toronto.
Representing Policyholders: H. M. Snyder, Waterloo; A. J. Andrews, K.C., Winnipeg; C. G. Cockshutt, Brantford; W. H. Malkin, Vancouver.

Field of Operations—Canada, Newfoundland, Jamaica, B.W.I., State of Michigan, U.S.A.

Classes of Business Written — Ordinary (participating and non-par. business), Group.

Capital—Authorized $1,000,000
Subscribed 400,000
Paid-up 200,000

Dividends Paid—Last paid $4 June 30, 1931.

Growth of Business

Year	Assets ($ 000)	Business in force ($ 000)	New Ins. paid for ($ 000)
1927	18,090	107,864	17,789
1928	22,224	125,093	21,418
1929	23,825	137,474	*21,720
1930	25,238	146,538	*22,158
1931	25,470	150,319	*19,087

*Includes ordinary and group.

Percentage Analysis of Assets

	1931 %	1930 %	1929 %
Bonds:			
Government	4.0	2.1	4.9
Municipal	3.4	3.6	6.0
Other	20.9	25.1	24.6
Total bonds	28.3	30.8	35.5
Stocks:			
Preferred	1.5	1.6	1.6
Common	3.3	3.0	.5
Total stocks	4.8	4.6	2.0
Mortgages	48.9	48.6	49.0
Real estate	3.0	2.3	2.2
Policy loans	14.9	13.2	11.0
Other ledger assets	.1	.5	.3
	100.0	100.0	100.0
*Interest earned	6.24	6.66	6.91

*On mean invested assets.

MARITIME LIFE GROWING RAPIDLY

Halifax Company Serves Atlantic Provinces and British West Indies

With head office at Halifax, the Maritime Life Assurance Co. carries on an active life insurance business in the three maritime provinces, in Newfoundland, and in Bermuda, Bahamas, Jamaica, and Leeward Islands.

At the end of 1931, total business in force which has considerably more than doubled in the past five years, amounted to $12,362,000; business paid for amounted to $2,143,000, while total assets were $1,169,000. The latter figure shows an increase of 19.7 per cent over 1930.

Of total assets, $775,300 is invested in bonds, debentures, and stocks; $208,000 in first mortgages and $53,800 in policy loans. In addition to capital stock paid up of $250,000 the company has set up $71,243, as a reserve to adjust investments to values fixed by the insurance department at Ottawa. There is also a small free surplus over and above all other liabilities.

Statutory reserves for policyholders in accordance with federal insurance laws, amount to $834,692. Since the company commenced business, it has paid out $202,000 to policyholders and now holds $130 in assets for every $100 of liabilities, after providing investment reserve.

Officers—
Hon. E. A. Reilly, K.C., chm. of board; J. G. MacDougall, M.D., pres.; H. R. Silver, vice-pres.; B. Lockwood, sec.-treas. and actuary.

Directors—
Hon. E. A. Reilly, K.C., Moncton; J. G. MacDougall, H. R. Silver, Hon. W. A. Black, M.P., R. B. Colwell, W. H. Dennis, Hon. G. H. Murphy, M.D., all of Halifax; Hon. Senator J. McLean, Souris, Hon. Senator F. B. Black, Sackville, G. D. DeBlois, Charlottetown, W. F. Fraser, New Glasgow; J. D. McKenna, Saint John; W. A. Livingstone, Annapolis; W. H. Miller, Campbellton; Dr. J. L. McIssac, Antigonish; R. H. McLean, Bathurst, N.B., and J. H. Winfield.

Field of Operations—
Canada, Bermuda, Newfoundland, West Indies, Antigua, Bahamas, Barbados, Jamaica, Montserrat, St. Kitts, Trinidad.

Capital—
Authorized $1,000,000
Subscribed 1,000,000
Paid-up 250,000

Growth of Business

Year	Assets ($ 000)	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1927	490	5,088	1,922
1928	724	6,818	2,173
1929	836	9,026	2,552
1930	963	11,354	2,383
1931	1,169	12,362	2,143

FIRE·MARINE·AUTOMOBILE·ACCIDENT·SICKNESS·BURGLARY·GUARANTEE
IMPERIAL
GUARANTEE
AND
ACCIDENT
INSURANCE
COMPANY
ESTABLISHED A.D. 1905

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE AUTOMOBILE WINDSTORM
Insurance in force over $200,000,000.00
Total Assets over 3,000,000.00
Agents required in Ontario
Write Eastern Branch, 2 Toronto St., Toronto, Ont.
THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

THE CANADA NATIONAL FIRE INSURANCE COMPANY
Head Office: WINNIPEG
Toronto Office: 205 Brock Building
Walter J. Steer, Branch Manager
President, J. B. Coyne, K.C., Winnipeg, Man.
1st Vice-President, T. S. McPherson, Victoria, B.C.
2nd Vice-President, Allan S. Bond, Winnipeg, Man.
Applications for Agencies Invited

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA: HAMILTON, ONTARIO
Writing Fire and Automobile Insurance at Cost
Assets $4,616,449.70
ALL POLICIES NON-ASSESSABLE
Paying Dividends ranging from 25% to 40%
BRANCH OFFICES:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, Saint John, Halifax and Charlottetown

THE METROPOLITAN LIFE IN CANADA SINCE 1872

A Record of Sixty Years of Service

In 1872 the Metropolitan Life Insurance Company commenced business in Canada. This year, in celebrating its Diamond Jubilee in Canada, the Company marks sixty years of unique service to the people of this country.

Through its insurance contacts with more than one-sixth of the entire population; through its health campaign promoting healthier and happier lives; through its large investments in Canadian enterprise; and through its economic service to Canadian business in research, in management and industrial problems, the Metropolitan is closely bound up with the financial, social, and economic life of the Dominion.

All premiums collected in Canada by the Metropolitan are invested in Canada or repaid in claims and other payments to Canadians. The total amount the Metropolitan has paid to Canadians since it entered Canada, plus the amount now invested in Canada, exceeds the total premiums received from Canadians by over $100,000,000.

As the company is a mutual organization it has no stock and no stockholders. Its assets are held for the benefit of its policyholders, and any divisible surplus is returned to them in the form of dividends.

Some features of the Company's activities in Canada, taken from the annual business statement of December 31st, 1931, are:

Life Insurance in force in Canada at end of 1931—$1,036,135,928.

Investments in Canada at end of 1931—$231,036,523.

Free Nursing visits to Canadian policyholders in 1931—405,689.

Health Publications distributed in Canada in 1931—3,326,574.

Payments to Canadian Policyholders in 1931—$22,632,607.

Life Insurance Issued, Revived, and Increased in Canada in 1931 (Excluding Increases on Group Policies)—$224,743,789.

Number of Life Insurance Policies in Force on Canadians at end of 1931—2,824,061 (Including 42,628 Group Certificates).

METROPOLITAN LIFE INSURANCE CO.
CANADIAN HEAD OFFICE
OTTAWA

Frederick H. Ecker, *President*
Harry D. Wright, *Third Vice-President*
Leroy A. Lincoln, *Vice-President and General Counsel*

1872...SIXTY YEARS IN CANADA...1932

TOTAL BUSINESS OF MUTUAL LIFE NOW $513,000,000

Waterloo Company Concentrates Efforts Largely in Canada

Mutual Life Assurance Co. of Canada ranks fourth among Canadian life insurance companies in point of assets and business in force, the latter figure having passed the half billion mark for the first time in the company's history during 1931.

Organized the year following Confederation, the company was originally incorporated as Ontario Mutual Life Assurance Company under an Ontario charter in 1869, on condition that at least 500 prospective policyholders pledge themselves to take out policies of $1,000, thus providing $500,000 of business in force at the outset. This goal was attained by February, 1870, and eight years later a Dominion charter was secured.

Now Outside Canada

In 1900, the companys' name was changed to the present title and in March, 1929, the company started a policy of conservative expansion outside Canada, by obtaining a license in New York state which was followed by a similar license for Bermuda in 1930. Total business in force outside Canada forms as yet but a small part of the company's total business, amounting at the end of 1930 to approximately $18,500,000.

The company entered the group insurance field in 1927, and now has approximately $6,500,000 of group business on its books.

Analysis of the company's investments shows 39 per cent of ledger assets or $47,000,000 to be invested in bonds. The company has always shown these in its assets at book value, although since 1921 market values are said to have greatly exceeded book value. Of total bond and share holdings the excess of market over ledger value as at December 31, 1931, and on the basis of valuations allowed by the Federal Insurance Department, was $1,005,000. Mortgages comprised 36.5 per cent of the company's assets and are shown at $42,167,000.

Payments to policyholders and beneficiaries during 1931 amounted to $14,664,000 bringing the total sum paid since organization up to $131,142,000. In addition to statutory reserves for policyholders of $102,406,000 which are stated to exceed by a substantial amount, the minimum government standard, the company shows special reserves and surplus funds of $12,413,000 of which $826,000 is investment reserve and $4,538,000 is in free or unallotted surplus.

Being a purely mutual company, there is no capital stock.

Officers—R. O. McCulloch, pres.; L. La Course Lang, 1st vice-pres.; Maj.-Gen. Hon. S. C. Mewburn, K.C., C.M.G., 2nd vice-pres.; W. H. Somerville, gen. mgr.; A. E. Pequegnat, compt. and asst. gen. mgr.; H. M. Cook, sec.; J. M. Laing, actuary; H. Holmes, assoc. actuary; H. L. Guy, treas.; W. Carlisle, supt. of agencies; J. M. Livingston, M.D., med. dir.

Directors—C. M. Bowman, Southampton, Ont., chm. of board; R. O. McCulloch, Galt, Ont.; L. La Course Lang, L. J. Breithaupt, Kitchener; Hume Cronyn, London; W. G. Watson, Glyn Osler, K.C., T. A. Russell, E. G. Long, K.C., Toronto; Maj.-Gen. Hon. S. C. Mewburn, K.C., C.M.G., Hamilton; Hon. J. Fred Fraser, Halifax; Isaac Pitblado, K.C., Winnipeg; W. J. Blake Wilson, Vancouver; Hon. J. E. Perrault, K.C., Arthabaska, Que.; C. F. Sise, Montreal.

Field of Operations — Canada, Newfoundland, Bermuda, and New York State.

Classes of Business Written — Ordinary (participating and non-par. business), group, mutual.

Capital—None.

Growth of Business

Year	Assets $	Business in force ($ 000)	New ins. paid for ($ 000)
1927	89,233,000	386,712	49,535
1928	98,089,000	422,641	56,536
1929	107,409,000	461,311	66,688
1930	116,662,000	492,833	59,355
1931	125,848,000	518,380	53,193

Percentage Analysis of Assets

	1931 %	1930 %	1929 %
Bonds:			
Gov't., gov't. guar., prov. & for.	12.3	11.4	11.8
Municipal & school	13.8	14.9	15.4
Other	13.0	13.3	13.3
Total bonds	39.1	39.6	40.5
Stocks	1.1	.8	.4
Mortgages	36.5	37.9	39.0
Real estate	2.0	1.8	1.8
Loans on policies	20.7	19.8	18.2
Cash	.6	.1	.1
Total ledger assets	100.0	100.0	100.0
Net int. earned on invest. assets	5.73	6.13	6.30

Group Insurance Shows Vast Growth in Canada

Twenty-Four Companies Now Writing Group Risks in Dominion, Nineteen Being Canadian — Total Group in Force Today Over $500,000,000

Although but a dozen years have elapsed since the first group insurance policy was written in Canada, this form of coverage today occupies a position of great prominence in the business world and promises to become an accepted rather than the occasional condition of employment offered to labor.

At the end of 1931 there was over half a billion dollars of group insurance in force in Canada, according to an estimate made by The Financial Post, the largest proportion of which is written by Canadian companies.

At the end of 1930 the net amount in force was something over $484,000,000. Preliminary figures for 1931 issued from Ottawa show that new business paid for in Canada by Dominion licensed companies totalled $38,724,884. While the total group insurance in force will not show an increase equal to this amount, it may be safely said that 25 or 26 million dollars will have been added during the year, bringing the total in force at the end of 1931 up to approximately $510,000,000 net New business paid for in 1930 was over $59,000,000, while total in force was increased by about $45,500,000.

Serves 2,500 Corporations

Thus in twelve years the employees of approximately 2,500 leading Canadian corporations have obtained coverage in this manner, for group insurance has served to line up a majority of the large Canadian institutions such as public utilities, banks, the big manufacturers and other large employers of labor. A further feature of note in the growth of group insurance in this country is the increase in the number of companies writing this form of coverage. At the end of 1926 there were 15 companies doing this type of business. Today there are 24, of which five are American companies, the remainder all being Canadian institutions.

Group insurance, generally, is sold to employers of labor that have fifty or more employees. No medical examination is required. When the employee pays a portion of the premium, which is nearly always the case, it is usually required that at least 75 per cent of the eligible employees shall participate. The contract, however, is placed through the employer. The employees get their insurance at what is to them a level premium rate, while the employer pays the remaining and uncertain portion, this varying in different concerns and from year to year depending upon the age distribution and the amount of insurance per life. The employer deducts from the employee's pay envelope or cheque the amount authorized by the employee and remits the total contributions, usually monthly, in one cheque.

Group insurance today covers many other kinds of hazard than pure life risks, contracts now being written that provide life insurance, weekly sickness and accident insurance, accidental death and dismemberment benefits, and old-age and disability annunities or pensions.

Latest Figures Shown

The standing of companies writing group business in Canada in 1930 together with latest figures available as at time of going to press. for 1931, is as follows:

Gross Group Insurance in Force

(a) Canadian Companies (Total Business)	1931	1930
Sun	$368,300,668	$344,880,999
Canada	152,000,000	139,179,631
London	*36,703,394	*37,623,632
Confederation	23,629,015	17,118,819
Great West	18,094,224	16,181,038
Manufacturers	6,760,040	6,402,003
Mut. of Can.	6,586,536	4,848,267
Imperial	2,753,500	1,903,625
North American	2,720,500	2,158,083
Ont. Equit.	2,345,000	2,302,000
Dominion	1,642,000	1,137,400
Montreal	1,386,274	600,314
National	488,000	163,000
(b) U. S. Companies (Canada Business only)		
Metropolitan	$72,422,220	$67,155,152
Aetna	35,435,500	40,785,350
Travellers	....	24,331,593

*Net figures.

SOVEREIGN LIFE ONTARIO FIRM 30 YEARS AGO

Winnipeg Concern Shifted Office from East to West

Sovereign Life Assurance Company with head office at Winnipeg is licensed under Dominion charter and operates in Ontario, Quebec, Manitoba, Saskatchewan, Alberta, and British Columbia. It was incorporated just thirty years ago, and in that time has made slow but steady progress. It now has assets of $6,250,000 and total business in force as at the end of 1931 of $27,215,000. Its peak year from the point of view of business in force was 1930, when the total ran just over the $30,000,000 mark. New and revived business written in 1931 amounted to just over $3,000,000 as compared with $4,785,000 the previous year and $6,292,000 in the peak year of 1929. Paid for business in 1931 totalled $2,290,000.

The company first began business in Ontario with head office at Toronto, but soon afterwards extended operations to the Maritime Provinces and Manitoba. In 1912, its head office was removed from Toronto to Winnipeg, and expansion begun in the West. For some time now it has not been active in the Maritimes and maintains only a collection agency there. It is a newcomer, however, in Quebec province, having been licensed there as from January 1, 1931.

Analysis of assets shows 44 per cent of ledger value or $2,538,000 to be invested in first mortgages on real estate. Bonds and debentures which ten years ago comprised over 50 per cent of assets now amount to only 27.6 per cent and are shown at a ledger value of $1,780,000. At the end of 1931 the company had an investment reserve of $255,000 in addition to a contingency reserve of $25,000 and a free surplus of $160,000 over and above capital stock paid up of $210,000.

Payments to policyholders and beneficiaries during 1931 amounted to $567,000, bringing the total so paid since organization up to $4,198,000. Death claims in 1931 were only $79,190, or 28.4 per cent of tabular expectation.

Officers—H. J. Meiklejohn, M.D., pres. and man. dir.; W. H. Carter and E. E. Sharpe, K.C., vice-presidents; M. D. Grant, F.I.A., asst. mgr. and actuary; Ernest Atkins, sec.; J. J. Douglas, treas.; J. Turnbull, F.A.S., assoc. actuary; H. M. Meiklejohn, supt. of agencies; Hon. E. W. Montgomery, M.D., medical dir.

Directors—
Representing Shareholders: H. J. Meiklejohn, W. H. Carter, W. F. Hull, K.C., J. L. Bathgate, John Martin, all of Winnipeg; R. G. Macdonald, Brandon.
Representing Policyholders: E. E. Sharpe, K.C., W. Sanford Evans, M.L.A., William Whyte, all of Winnipeg.

Field of Operations — Ontario, Quebec, Manitoba, Saskatchewan, Alberta, British Columbia and New Brunswick.

Classes of Business Written — Ordinary, (participating and non-par., business).

Capital—Authorized $1,000,000
Subscribed 840,600
Paid-up 209,995

Dividends Paid on Capital Stock—
Five per cent per annum.

Growth of Business

Year	Assets $	Business in Force $000	New Insur. Paid For $000
1927	4,235,835	23,571	2,985
1928	4,772,565	26,916	4,271
1929	5,494,689	29,459	3,723
1930	6,029,296	30,015	2,895
1931	6,250,371	27,215	2,290

Percentage Analysis of Assets

	1931 %	1930 %	1929 %
Bonds:			
Government	3.9	4.1	4.3
Municipal	9.8	10.6	11.5
School	3.0	2.6	3.1
Telephone	2.5	2.8	3.5
Corporation	8.4	9.6	10.8
Total bonds	27.6	29.7	33.2
Stocks:			
Preferred	1.6	1.6	1.7
Common*	1.8	1.0	1.1
Total stocks	3.4	2.6	2.8
Mortgages	44.8	45.6	45.2
Policy loans	21.7	18.9	15.4
Real estate	2.9	3.1	3.3
Other assets	.1	.1	.1
Total assets	100.0	100.0	100.0
Int. earned†	6.08	6.85	6.90

*Consisting of C.P.R., Mont. L., H. & P. Cons., Bell Tel. & Shawinigan Power.
†On mean invested assets.

POSITION IMPROVED OF WESTERN LIFE

Business Volume Small But Surplus Shows Increase

Under W. E. Milner, as managing director, Western Life Assurance Co. has been gradually improving its position in recent years and although little progress has been made in increasing the volume of business written each year the company has been able to make definite gain in improving its financial position.

At the end of 1931, the business in force was approximately $9,000,000, although no definite figure is available prior to publication of the federal government returns. No information is available, either, for new business issued or paid for in 1931, although for the past four years, the company has averaged approximately $1,300,000 of paid for business annually.

Total assets now amount to $1,789,000, of which $760,900 is in mortgages, practically all of which are placed on property in the city of Winnipeg. Bonds and debentures are shown at their book value of $439,600. During the year the company made a substantial gain in surplus, which now stands at $127,900 as compared with $79,800 a year ago. This surplus is exclusive of paid-up capital stock of $136,000.

Approximately 80 per cent of the company's business is on a participating basis, the remainder being non-participating.

Officers—
J. M. Carruthers, pres.; W. E. Milner, 1st vice-pres. and man. dir.; R. H. Hamlin, 2nd vice-pres.; O. S. McCombie, sec.; O. Margolese, M.D., medical director; M. E. Coulter, treas.

Directors—
J. M. Carruthers, W. E. Milner, R. H. Hamlin, Dr. R. M. Simpson, R. Jacob, all of Winnipeg; Dr. C. W. Prowd, Vancouver; J. D. Hunt, K.C., Edmonton.

Classes of Business Written—
Ordinary (participating and non-par. business).

Capital—
Authorized $1,000,000
Subscribed 690,200
Paid-up 138,040

Growth of Business

Year	Assets ($ 000)	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1927	1,131	8,558	1,231
1928	1,290	8,529	1,367
1929	1,450	9,328	1,395
1930	1,566	9,089	1,312
1931	1,789	9,000*	†

†Not published. *Approximate.

BUSINESS IN FORCE OF IMPERIAL LIFE TOPS $300,000,000

Investment Policy Gradually Changed to Debentures and Bonds

Imperial Life Assurance Company with head office at Toronto has been doing business in Canada under a federal government license since 1897. It now ranks among the first ten companies doing business in Canada and at the end of 1930 had total assets of $66,148,000, a figure which has shown a steady and consistent growth from an initial total of $336,247, which represented total assets of the company in 1897.

Total business in force at the end of 1931 amounted to $301,467,000 of which $2,753,500 is represented by group insurance which the company has been writing for the past few years. Business issued and revived reached its peak in 1928 with a total of $44,968,000, the corresponding figure for 1931 being $31,655,000. New business paid for also reached a peak in that year and totalled $39,526,000 as compared with a similar total for 1931 of $28,206,000.

In addition to all the provinces of Canada, Imperial Life does business in Newfoundland and in practically all parts of the British West Indies and also in the states of New York and California.

Investment Policy Changed

As to investments Imperial Life in its early history invested most of its money in improved western first mortgages on improved western farm lands, and in 1910 these represented 68 per cent of invested funds. In 1915 the figure had dropped to 50 per cent, a corresponding addition having been made to holdings of government and municipal bonds and debentures. By 1917, these two types of investment about equalled one another and since that time the trend has been toward bonds and debentures with the result that in 1931 these totalled 47 per cent of total invested assets, while mortgages comprised less than 25 per cent, or approximately $15,346,000. Of this latter total, only about $3,000,000 or 1.5 per cent was invested in farm mortgages the remainder being in residential and business property.

Since 1924 the company has purchased a small number of preferred and common stocks, but at the end of 1931 this total comprised less than 4 per cent of total assets. Loans on company policies have taken an increasing place in the company's assets now amounting to 22 per cent of the total as compared with 20.4 per cent a year ago, and 15 per cent over a considerable number of years, prior to 1928.

Since its inception the company has paid to policyholders over $53,000,000, the amount paid out in 1931 alone being $7,638,000. Statutory reserves for the protection of policyholders, in accordance with federal insurance regulations, amount to approximately $56,000,000, while surplus and contingency reserves over and above this figure amounted to $4,725,000, of which $1,000,000 is earmarked as contingency reserve.

Officers— G. A. Morrow, pres.; S. J. Moore and E. T. Malone, K.C., vice-presidents; F. Weston, man. dir.; G. Cecil Moore, asst. gen. mgr.; D. Matheson, secty.; J. G. Parker, actuary; H. T. Roesler, treas.; H. Hunt, supt. of agencies; H. B. Anderson, M.D., chief medical referee.

Directors—
Representing shareholders: E. T. Malone, K.C., S. J. Moore, G. A. Morrow, James Ryrie, J. F. Weston, F. P. Wood, J. P. Bickell, J. W. Mitchell, all of Toronto; Sir H. S. Holt, Montreal; W. G. Morrow, Peterborough.
Representing policyholders: Sir John Aird, D. B. Hanna, H. H. Williams, Toronto; Hon. P. Burns, Calgary; Hon. Donat Raymond, Montreal.

Field of Operations — Canada, Bermuda, Newfoundland, Antigua, Barbados, Cuba, Dominica, Grenada, Haiti, Jamaica, St. Kitts, St. Lucia, Trinidad, British Honduras, Guatemala, Honduras, Nicaragua, Salvador, British Guiana, and the states of New York and California, U.S.A.

Classes of Business Written — Ordinary (participating and non-par. business); group.

Capital—Authorized $1,000,000
Subscribed $1,000,000
Paid-up $1,000,000

Dividends Paid on Capital Stock—
15 per cent per annum.

Growth of Business

Year	Assets $	Business in Force $000	New Insur. Paid For $000
1927	45,242,682	242,132	37,258
1928	51,847,568	267,614	39,526
1929	57,860,237	289,786	38,325*
1930	62,979,827	300,932	32,904*
1931	66,147,753	301,467	28,206*

*Includes group (first written Feb., 1929).

Percentage Analysis of Assets

	1931 %	1930 %	1929 %
Bonds & Debentures	46.9	48.5	52.0
Pref. & com. stocks	3.9	4.0	3.0
First mortgages	*24.4	24.2	23.0
Real estate	2.3	2.0	2.0
Policy loans	21.9	20.4	19.0
Cash & other ledg. assets	.6	.9	1.0
	100.0	100.0	100.0
Interest earned†	5.82	6.00	6.00

†On mean invested assets. *Of which 78.44% is residential and business and 21.56% farm mortgages.

Manitoba Removes Wood Dues

Hon. D. G. McKenzie, Minister of Mines and Natural Resources in the Province of Manitoba, announces the passing of an order-in-council removing the dues of 25 cents a cord on wood cut on crown lands to enable settlers to obtain their fuel supplies at minimum costs.

THE PROTECTION YOU NEED—
—plus the Security of your investment—plus a high rate of earnings—all these are assured to policyholders in
The MONARCH LIFE ASSURANCE COMPANY
HEAD OFFICE — WINNIPEG
A good Company to insure with is a good Company to represent. Enquiries from experienced salesmen will be appreciated.

COMMERCIAL LIFE STARTED IN 1913

Business Paid For in 1931 Was $1,159,000; Total in Force $7,527,000

With head office at Edmonton, Commercial Life Assurance Co. of Canada began business in October, 1913, as the Alberta-Saskatchewan Life Insurance Co., but in 1919 its name was changed to its present title. Total business in force at the end of 1931 amounted to $7,527,000, while total assets were $1,691,000. New business paid for during 1931 amounted to $1,159,000.

Analysis of the company's assets shows that bonds and debentures are valued at $435,000 of which the largest individual item is school district debentures at $176,853. First mortgages are shown at $670,000 while loans on company policies amounted to $270,000. The company's balance sheet also shows stocks taken in at cost, to the value of $231,000. The company wrote off $75,000 during 1930 to bring values into line with government valuation.

Surplus has nearly doubled during the year to $38,800 which is exclusive of paid up capital of $145,000. Reserves for company policyholders now amount to $1,343,000.

Officers—
R. H. Cautley, pres.; Dr. E. W. Allin, and L. G. Calder, vice-pres.; J. W. Glenwright, man. dir.; E. B. H. Shaver, sec; C. C. Sinclair, consulting actuary.

Directors—
R. H. Cautley, Dr. E. W. Allin, W. T. Henry, W. W. Prevey, H. W. B. Douglas, J. W. Glenwright, J. Gillespie, Edmonton; L. G. Calder, Montreal; W. F. Bredin, Grand Prairie; F. O. Hodgson, Vancouver; J. A. East, R. Shannon, Saskatoon.

Classes of Business Written—
Ordinary and group (participating and non-par. business).

Capital—
Authorized $2,000,000
Subscribed 1,507,300
Paid-up 145,251

Growth of Business

Year	Assets ($ 000)	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1927	815	9,044	3,153
1928	1,028	10,058	2,432
1929	1,254	10,361	1,696
1930	1,503	10,821	1,654
1931	1,691	10,527	1,159

Metropolitan Life Makes Appointments

Metropolitan Life has announced from its Canadian head office, the following promotions:

C. E. Masse, formerly agent in the Point St. Charles, Montreal, district, appointed assistant manager at the McGill, Montreal, district; M. B. Huffman, formerly at Calgary, district, appointed assistant manager at Lethbridge detached section of Calgary district; S. C. White, formerly assistant manager in the Williamsport, Pa., district, is appointed assistant manager at Vancouver district; C. M. Scott, agent at the Timmins, Ontario, district, is appointed assistant manager in the same district; B. L. Pearce, formerly employed as assistant manager at the Vancouver South, B.C., district, is appointed assistant manager at the New Westminster, B.C., district; F. Lambert, agent in the Papineau, Montreal, district, is appointed assistant manager at the Point St. Charles district; J. R. Marois formerly agent unattached in the Cartier, Montreal, district, is promoted assistant manager in the Maisonneuve, Montreal, district.

THE
Western Empire Life
ASSURANCE COMPANY
Extracts from 1931 Report

ASSETS $2,031,091.10
PREMIUM and INTEREST INCOME $ 362,181.91
POLICY and SPECIAL RESERVES $1,561,582.81
INSURANCE ISSUED $2,675,733.00

President: R. W. CRAIG, K.C.
General Manager: F. C. O'BRIEN
Head Office: WINNIPEG, MAN.
Branch Offices:
SASKATOON EDMONTON
CALGARY VANCOUVER
REGINA

THROUGH THE YEARS

SINCE the Year 1874, the Independent Order of Foresters, through its System of Fraternity and Protection, has served its members and done much to foster a sense of human brotherhood and common interest. With the fundamental law of practical economy — that he best serves humanity who serves himself and those of his household — is combined the Golden Rule: "Bear ye one another's burdens."

In addition to its system of sound and generous insurance protection, through co-operative effort it has placed at the disposal of its members treatment at the Sanatorium of the Order for those afflicted with Tuberculosis or Cancer. It educates and trains orphan children of members and provides a haven in the Sunset of Life for Aged Foresters and their wives. In many jurisdictions the services of a physician and Surgical Benefits are available to the membership.

The I. O. F. System is carried on through three thousand Subordinate and Companion Courts located in Canada, the United States and the British Isles.

Assets Over $49,000,000.00

THE INDEPENDENT ORDER OF FORESTERS
Frank E. Hand, *Supreme Chief Ranger*
Home Office - - Toronto, Canada

The Story of 1931

The results achieved by The Imperial Life Assurance Company of Canada in 1931 will be very gratifying to policyholders and others interested in the Company's progress:

	1921	1931
Assurances in Force	$128,968,720.00	301,467,126.00
Assurances Issued and Revived	23,980,734.00	31,654,702.00
Total Assets	22,079,986.37	66,147,752.66
Policy and Annuity Reserves	18,511,054.29	56,909,029.00
Premium and Interest Income	5,488,583.72	13,920,360.45
Payments to Policyholders	1,605,610.18	7,637,747.63

The millions of dollars of Reserves held by The Imperial Life are calculated on so strong a basis that interest earnings of only 3% are sufficient to maintain them. The difference between this 3% and the 5.82% actually earned gives an exceptionally wide margin for policyholders' profits and security.

BOARD OF DIRECTORS

Vice-President
S. J. MOORE
TORONTO
President The Bank of Nova Scotia
President Moore Corporation, Limited

SIR JOHN AIRD
TORONTO
President The Canadian Bank of Commerce
Director Brazilian Traction Company

J. P. BICKELL
TORONTO
President McIntyre Porcupine Mines Ltd.
Director International Nickel Co. of Can. Ltd.

PATRICK BURNS
CALGARY
Founder P. Burns & Co. Limited
Director Bank of Montreal

D. B. HANNA
TORONTO
President Western Canada Flour Mills Co.
Director British Empire Trust Company of London, England

President
G. A. MORROW
TORONTO
Vice-President Central Canada Loan & Savings Co.
Director Canadian Bank of Commerce

J. F. WESTON
Managing Director

SIR HERBERT HOLT
MONTREAL
President Royal Bank of Canada
President Montreal Light, Heat & Power Co.

J. W. MITCHELL
TORONTO
Vice-President Dominion Securities Corp. Ltd.

W. G. MORROW
PETERBOROUGH
Vice-President Toronto Savings & Loan Co.
Director National Trust Company, Limited

Vice-President
E. T. MALONE, K.C.
TORONTO
Vice-President Toronto General Trusts Corp.
Director Toronto Savings & Loan Company

HON. DONAT RAYMOND
MONTREAL
Member The Senate of Canada
Director The Canadian Bank of Commerce

JAMES RYRIE
TORONTO
President Ryrie-Birks, Limited
Director National Trust Company, Limited

H. H. WILLIAMS
TORONTO
Director The Dominion Bank
Director Toronto General Trusts Corporation

FRANK PORTER WOOD
TORONTO
President Burlington Steel Company, Limited

Copy of Complete Report for 1931 mailed on request

The Imperial Life Assurance Co. of Canada
FOUNDED 1897 *Head Office*, TORONTO
Branches and Agents in all Important Centres

CANADA LIFE CO. FIRST LIFE FIRM TO OPERATE HERE

Assets Top $200,000,000 Mark For First Time in 1931

BILLION OF BUSINESS

Over Half Total Business Paid For is Outside Dominion of Canada

Canada Life Assurance Co. is the oldest life insurance company in Canada and the second largest life insurance company with head office in the Dominion. Its early history is wrapped up with the romance of early Canadian history in that its founder, Hugh Baker, conceived the idea of starting a Canadian life insurance company after he had been forced to make a long and tedious journey to New York in order to place insurance on his own life. In point of both assets and business in force the company is now the second largest with head office in Canada.

In 1931, for the first time, its total assets topped the $200,000,000 mark and amounted at the end of the year to $204,776,000, while for two years now, its total business in force has exceeded the billion dollar mark and now amounts to $1,030,000,000. New insurance paid for reached a peak in 1928 with a total of $143,000,000 while the corresponding figure for 1931 is $87,726,455.

Outside Canada

In addition to operating in all provinces of Canada, Canada Life has an important, self-contained organization in Great Britain and Ireland, and in addition it operates in 14 states of the U. S. A., in Newfoundland, Bahamas, Bermuda, and Hawaii, its business in force outside Canada, totalled at the end of 1931, approximately $560,000,000.

The company was one of the pioneers in group insurance, having written its first policy in 1920. At the end of 1931, the company had nearly $150,000,000 of group business on its books, and during 1931 paid for $11,335,225 of group business.

Sound Investments

As to investments, the company has for many years invested the bulk of its funds in government, municipal, and public utility bonds, and loans on real estate. At the end of 1931, bonds and debentures totalled 40 per cent of ledger assets while loans on real estate comprised 30.5 per cent of the total. Preferred and common shares form only a very small proportion of total assets the figure in 1931, being but 5.7 per cent of the total. Excess of market over ledger value of bonds and stocks held amounted at the end of 1931 to $799,711.

Of total mortgages, 65 per cent represents loans on city property and the remainder loans on farm property, the latter being distributed evenly between eastern and western Canada. The company maintains offices for the loaning of money on real estate in Montreal, Toronto, Winnipeg, Regina, Saskatoon, Edmonton, Calgary, and Vancouver. In the case of agricultural loans, all selection and inspection is made by company officials. Total arrears of interest amounted at the end of 1931 to only 2.03 per cent, while on a total 15,800 loans representing an investment of $59,400,000 the company at that date carried over unsold only 113 properties with book value of only $300,000. City loans are reported as being over 94 per cent free from arrears.

In regard to United States business, Canada Life purchases United States securities with the premium income from that country and maintains with trustees in the United States, the required legal reserve for the security of policyholders in that country. Securities purchased in the U. S. A. comply with requirements of the State of New York, where the company carries on business.

Bond Holdings Higher

During 1931 the company substantially increased its holdings of government and municipal bonds which now amount to $41,374,000 as compared with $33,833,000 a year ago. Other bonds are shown at a book value of $36,000,000 as against $31,600,000 at the end of 1930.

During 1931, the company paid no less than $25,500,000 to policyholders of which $17,000,000 was paid to living policyholders by way of dividends, annuities, cash values, and so forth. In addition to a reserve for policyholders amounting to nearly $184,000,000 compiled on an actuarial basis considerably stricter than that required by federal insurance law, the company has a contingency reserve of $650,000 and a surplus over all liabilities and capital stock of $7,518,000.

Percentage Analysis of Assets

	1931 %	1930 %	1929 %
Bonds and debentures	39.71	36.50	39.27
Stocks	5.67	6.19	6.16
Loans on real estate	30.50	34.37	33.22
Real est., includ. co's. bldgs. in Toronto, Montreal, Ottawa, Regina, Calgary and London, Eng.	5.22	4.63	3.76
Cash	.39	.35	.22
Loans on policies	18.51	17.96	17.37
	100.00	100.00	100.00
Interest earned*	5.80	5.94	6.03

*On mean invested assets.

Officers—Leighton McCarthy, K.C., pres.; Herbert C. Cox, chm. of the board; E. R. Wood, vice-pres.; A. N. Mitchell, gen. mgr.; W. A. P. Wood, asst. gen. mgr. and actuary; A. Gordon Ramsay, asst. gen. mgr. and gen. supt; L. R. Young, asst. gen. mgr. and treas.; W. Hastie, asst. to pres.; J. H. Domelle, sec.; L. K. File, associate actuary; R. G. McDonald and S. C. McEvenue, superintendents; J. D. Williamson and J. G. Beatty, asst. actuaries; G. H. James and F. W. White, asst. secs.; E. C. Gill and R. E. Woodcock, asst. treasurers; H. N. Watt and R. J. Trenouth, asst. superintendents.

Directors—

Representing Shareholders: Leighton McCarthy, K.C., H. C. Cox, E. R. Wood, J. H. Plummer, C. A. Bogert, J. A. McLeod, A. N. Mitchell, W. N. Tilley, K.C., all of Toronto; A. V. Davis, Pittsburgh; J. Stuart, Chicago.

Representing Policyholders: A. E. Ames, W. E. Rundle, Rt. Hon. Sir T. White, Toronto; Aime Geoffrion, K.C., Montreal; Hon. C. Stewart, Ottawa.

Field of Operations—Canada, Great Britain and Northern Ireland, the Irish Free State, 14 states of the U.S.A., Newfoundland, Bahamas, Bermuda and Hawaii. In the United States 16 branches are maintained, covering the following states: Alabama, California, Florida, Illinois, Maine, Michigan, Minnesota, New Hampshire, New York, Ohio, Oregon, Pennsylvania, Texas and Washington.

Classes of Business Written — Ordinary (participating and non-par. business); Group.

Capital—Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	1,000,000

Dividends Paid on Capital Stock—

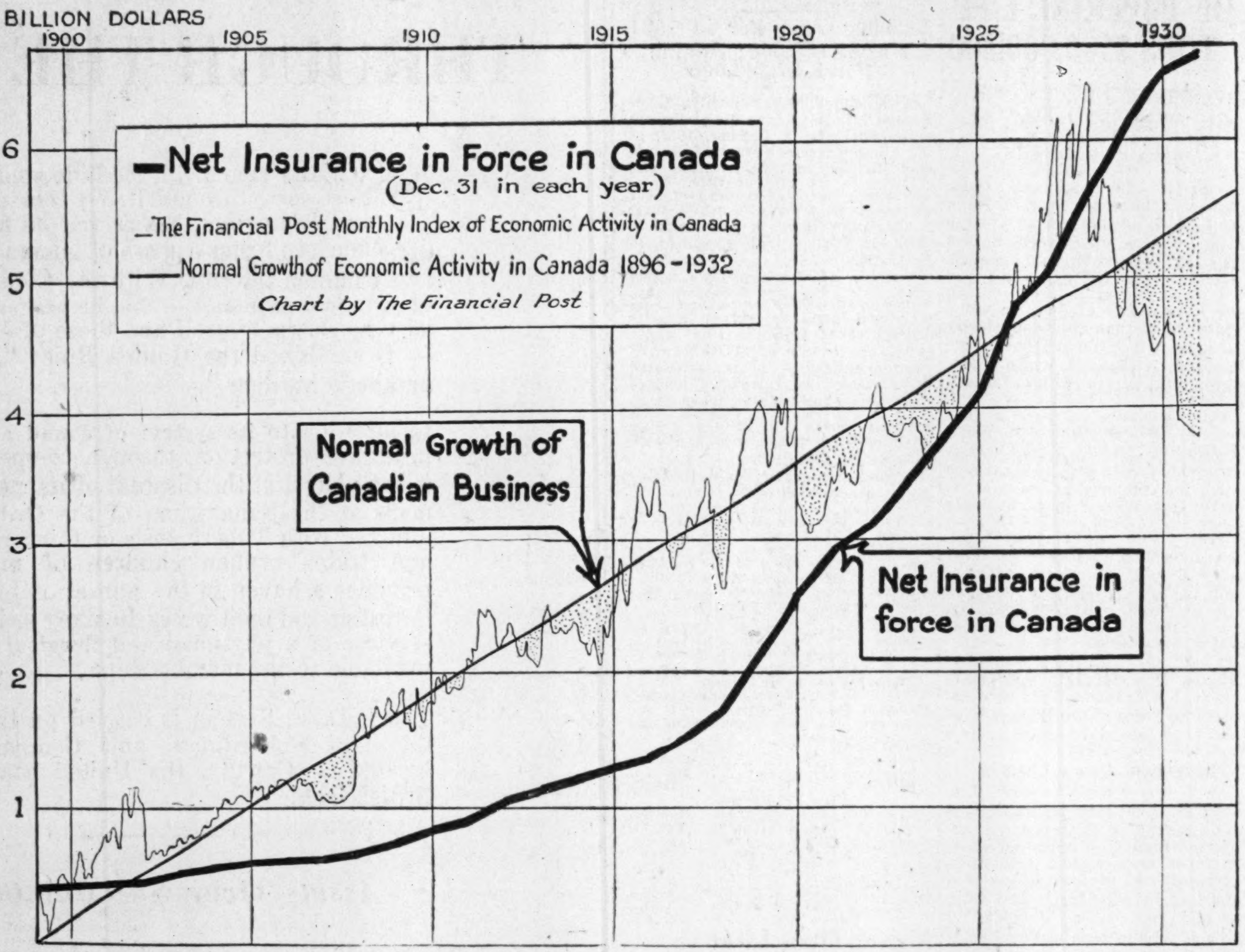
20% per annum.

Growth of Business

Year	Assets $	Business in Force $000	New Insur. Paid For† $000
1927	140,580,677	769,982	130,143
1928	157,069,484	881,727	143,008
1929	173,767,668	973,310	137,398
1930	188,225,149	1,015,712	103,323
1931	204,776,019	1,029,759	87,726

†Includes ordinary and group.

Life Insurance Forges Ahead Despite Ebb and Flow of Business



Perhaps insurance in force and the normal growth of business in Canada are not strictly comparable economic factors, but at least the above chart visualizes at a glance the tremendous growth of the life insurance business in Canada since the Great War. The straight black line running diagonally across the chart is normal long-term growth line of business in Canada as determined over a 35-year period.

On the same scale, the net amount of insurance in force in this country has been charted starting with a total of $431,000,000 in 1900 and culminating with $6,622,000,000 at the end of 1931.

MONTREAL LIFE CO. MAINTAINS VOLUME PAID-FOR BUSINESS

Business Issued in 1931 Over Previous Year's Total

Probably not many people will remember that Montreal Life Insurance Co. was once the Travellers Life Assurance Co. of Canada and that it did business in Canada under this name for 14 years, before applying to the federal government for permission to change its name to the one it now carries. In 1929, control of the company was purchased by Atlas Assurance Co. of London which purchased approximately 65 per cent of the outstanding shares of the company. However, under the guidance of Arthur P. Earle, president and managing director of the company, it has continued to develop under its own name and at the end of 1931 had a gross amount of business in force of $40,851,114, and total assets of $5,654,105.

Issued Business Higher

Copies of the company's annual report are not yet available but figures given by Mr. Earle at the company's annual meeting this month show the company to have issued, revived and increased policies to the amount of $12,019,500 during 1931, of which $10,331,000 was ordinary business and $1,687,400 group insurance. Paid for business during 1931 was $8,662,400, as compared with $8,993,000 of business paid for in 1930. Business issued showed, however, a considerable gain, the 1930 figure being only $11,042,000.

In addition to operating in this country, Montreal Life also writes business in Newfoundland, Trinidad, and Tobago. Of its total business in force, $1,386,000 is in group insurance. During the year, the company paid policyholders the largest amounts distributed in any year; namely, $689,000 which brings the total paid since organization up to $3,059,000.

Of total assets of $5,654,000 the bulk is invested in bonds and debentures which now constitute 44 per cent of net ledger assets. Loans on first mortgages rank second with 29.8 per cent, the former having shown an increase over the previous year and the latter a decrease. The company reports that as at December 31, 1931, interest was unpaid on only three of the company's mortgage loans held. Average rate of interest earned was 5.98 per cent as compared with 5.96 per cent a year ago. On the basis of government values, the company's investment shows depreciation of $72,220 during the past year, or 1.47 per cent of ledger assets.

Underwriting profits for the year were $185,772, the largest of any in the company's history. After taking care of policy dividends paid in 1931, amounting to $58,069, and the loss due to revaluation of securities as noted above, the company was able to carry forward a small amount to be added to surplus, which now stands at $105,825 over and above paid-up capital stock of $250,000. A year ago the company's total surplus including capital stock amounted to $350,342.

Officers—

A. P. Earle, pres. and man. dir.; C. E. Sanders and J. V. Desaulniers, vice-pres.; H. B. Wickes, sec. and actuary.

Directors—

Representing Shareholders: A. P. Earle, C. E. Sanders, J. V. Desaulniers, Hon. J. P. B. Casgrain, Lyon Cohen, Hon. N. Curry, H. Cypihot, M.D., J. W. Pyke, all of Montreal; C. H. Falloon and W. Penman, London, Eng.

Representing Policyholders: R. D. Bell, C. G. Greenshields, Hon. R. O. Grothe, S. W. Jacobs, K.C., Kenneth Molson, all of Montreal.

Field of Operations — Canada, Newfoundland, Trinidad, Tobago.

Classes of Business Written — Ordinary, (participating and non-par. business), group.

Capital—Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	250,000

Growth of Business

Year	Assets ($ 000)	Business in force* ($ 000)	New Ins. paid for* ($ 000)
1927	4,148	31,674	8,100
1928	4,608	36,391	8,964
1929	5,190	40,198	8,613
1930	5,439	40,057	8,992
1931	5,654	40,851	8,662

*Includes group in 1928-1931 inclusive.

Life Insurance Up 5 Per Cent For February

February sales of paid-for ordinary life insurance in Canada and Newfoundland showed a 5 per cent gain over the previous month, according to figures prepared by the Sales Research Bureau of Hartford.

This gain is important for two reasons in that it runs decidedly against the usual seasonal trend for January—February, and secondly because it was expected that February sales might have been lower reflecting the fact that most leading Canadian companies abandoned full disability coverage on Feb. 1 a factor which undoubtedly influenced considerable sales during January. Probably some of the last minute sales of January are included in the February total as far as the Hartford record is concerned but at any rate the February showing is an encouraging one.

Still Below 1931

Compared with a year ago, sales are of course still lower, the February 1931 total of $38,145,000 comparing with $40 180,000 in the same month a year ago. January sales totalled $37,331,000.

Analyzed by provinces, the figures for February are as follows: Alberta, $1,491,000; British Columbia, $2,112,000; Manitoba, $2,069,000; New Brunswick, $937,000; Nova Scotia, $1,241,000; Ontario, $16,390,000; Prince Edward Island, $97,000; Quebec, $12,157,000; Saskatchewan, $1,363,000; Newfoundland, $288,000.

Ordinary Life Insurance*

	1927	1928	1929	1930	1931	1932
January	$36,986,000	$47,509,000	$49,739,000	$45,074,000	$41,188,000	$37,331,000
February	35,525,000	39,962,000	47,140,000	43,925,000	40,180,000	38,145,000
March	42,883,000	44,823,000	49,066,000	49,047,000	46,945,000	
April	41,631,000	46,718,000	51,649,000	[illegible]	[illegible]	
May	44,553,000	49,581,000	50,547,000	48,871,000	41,314,000	
June	45,298,000	51,868,000	54,809,000	48,271,000	44,227,000	
July	39,962,000	49,492,000	54,809,000	46,505,000	40,262,000	
August	38,860,000	44,523,000	46,862,000	41,329,000	36,249,000	
Sept.	35,000,000	38,872,000	43,013,000	38,994,000	30,066,000	
October	48,104,000	50,310,000	52,496,000	54,168,000	44,527,000	
Nov.	42,936,000	48,923,000	55,624,000	[illegible]	[illegible]	
Dec.	48,899,000	56,647,000	54,189,000	49,026,000	47,163,000	

Total, first 2 months, 1932	$75,476,000
Total, first 2 months, 1931	$81,368,000
Decrease, first 2 months, 7.2%	$5,892,000
Decrease, Feb., 1932 from Feb. 1931, 5.1%	$2,035,000

*Companies having in force 84 per cent of total outstanding business in Canada as at Jan. 1, 1931. New paid for, ordinary business only. Figures include both Canada and Newfoundland and are prepared by Life Insurance Sales Research Bureau, Hartford, Connecticut.

PRUDENTIAL LIFE HAS BIG VOLUME INDUSTRIAL INS.

Total Business in Force in Canada Now Over $500,000,000

Prudential Insurance Co. of America was granted a Dominion license to transact life business in 1908 and commenced business in Canada in 1909, writing ordinary and industrial insurance. Group was added in 1929.

Gross insurance in force in Canada at the end of 1930—the last year for which complete figures are available—totalled $510,226,008, industrial business representing about three-fifths of this amount. New paid-for business in 1930 amounted to $27,586,944, this comparing with an average for the three preceding years of $29,350,000 annually.

Total assets in Canada in 1930 reached the sum of $82,850,579, of which $73,363,368 was on deposit with the receiver-general, in the form of bonds, debentures and debenture stocks, solely for the protection of Canadian policyholders.

The company's chief agent in Canada is H. P. Douglas, Montreal.

Head Office—Newark, N.J.

Head Office in Canada—Montreal.

Classes Written in Canada — Ordinary, industrial and group.

Growth of Business in Canada

Year	Assets ($ 000)	Business in force ($ 000)	New Ins. paid for ($ 000)
1927	54,318	405,703†	28,541†
1928	64,058	450,948†	30,253†
1929	70,851	491,224‡	29,256‡
1930	82,851	510,226‡	27,587‡

†Ordinary and industrial ‡and group.

Total assets, December, 1931—$2,692,698,221.

Total New Ins., Paid-for, 1931 — $2,782,179,000.

Equitable Life of U. S. Now Inactive in Canada

Equitable Life Assurance Society of the United States commenced business in Canada in 1868. While at the end of 1931 the company had $24,222,115 of insurance in force in the Dominion, of which $3,326,050 was group insurance. The company has not been writing any new business here since 1920.

Chief agent of the company in Canada is M. J. F. Bowman, Toronto.

Head Office—393 Seventh Ave., New York, N.Y.

Head Office in Canada—Toronto, Canada.

Classes Written in Canada—Ordinary and group; almost entirely participating.

Growth of Business in Canada

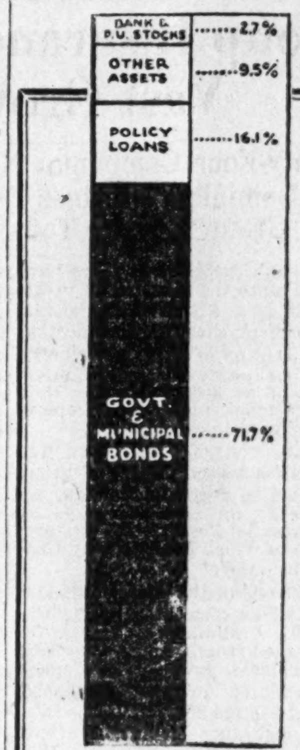
Year	Assets ($ 000)	Business in force ($ 000)	New Ins. paid for
1927	10,187	28,857	$62,000
1928	10,124	27,728	29,000
1929	10,464	26,731	23,000
1930	10,873	25,624	16,000
1931	.....	24,222	23,400

Total assets, December, 1931—$1,400,232,748.

Total business in force, December, 1931—$7,090,926,853.

Total new ins. paid-for, 1931—$767,466,695.

Distribution of the Assets of The National Life



Safety
- and -
Stability

Firm in the belief that the paramount idea back of Insurance is Safety — over 71% of National Life Assets are invested in sound Government and Municipal Bonds.

The importance of retaining a major portion of its investments in securities, not subject to violent fluctuations has never been more vividly demonstrated than during the past year.

The National Life
Assurance Company of Canada
Head Office: 150 UNIVERSITY AVE., TORONTO

A. H. BEATON, *President.*
FREDERICK SPARLING *Managing Director.*

THE PRUDENTIAL
ASSURANCE COMPANY LIMITED OF
LONDON ENGLAND
LIFE FIRE CASUALTY

Invested Funds of all Branches Exceed - - 1170 Million Dollars
Claims Paid Exceed - - 1750 Million Dollars

HEAD OFFICE FOR CANADA DOMINION SQUARE BUILDING MONTREAL

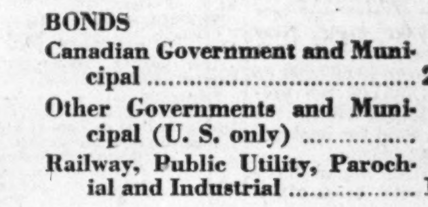
The Largest Insurance Organization in the British Empire
Established 1848

Guarding homes throughout the World!

THROUGHOUT the world today there are thousands of families who live happily in the protection of Manufacturers Life policies. With Head Office in Canada, this great service is extended to the people of thirty-two countries through Manufacturers Life representatives—a service available to you at any time and in any one of these countries in which you or your beneficiaries may live.

THE
MANUFACTURERS LIFE
INSURANCE COMPANY
HEAD OFFICE • TORONTO, CANADA

The Mutual Life of Canada Assets
December 31st, 1931



BONDS
Canadian Government and Municipal 25.26% $31,772,650.79
Other Governments and Municipal (U. S. only) .... .19% 250,000.00
Railway, Public Utility, Parochial and Industrial 11.95% 15,037,399.96
$47,060,050.75

MORTGAGE LOANS on security of Real Estate (Farm & City) 34.91% 43,928,706.31

LOANS TO POLICYHOLDERS, Secured by Policy Contracts, 19.74% 24,843,383.00

Other Assets, including Cash on Hand, Due Premiums and Due and Accrued Interest, 4.97% 6,257,617.07

Real Estate Holdings, 1.92% 2,421,037.12

Stocks, 1.06% 1,337,334.49

Total Assets $125,848,128.74

Sixty-two Years of Steady Growth

Year	Income	Assets	Business in Force	Disbursements to Policyholders
1870	$4,955	$6,216	$500,000	—
1880	88,690	225,605	3,064,884	26,681
1890	489,858	1,696,076	13,710,800	176,151
1900	1,164,875	5,165,493	29,518,626	424,815
1910	3,020,996	16,279,561	64,855,279	804,759
1920	10,124,171	42,847,277	206,627,728	5,667,522
1930	25,883,721	116,662,059	492,833,318	13,394,440
1931	27,530,942	125,848,128	513,379,937	14,664,372

Dividends Paid to Policyholders in 1931 .... $ 4,989,562.37
Total Dividends Paid to Policyholders Since Organization .... $ 45,139,879.16
Total Disbursements to Policyholders Since Organization $131,141,879.83

THE
MUTUAL LIFE
Assurance Company
OF CANADA
WATERLOO, ONT.

NORTH AMERICAN MAKES PROGRESS AS MUTUAL CO.

First Year Under New Régime Proves Profitable for Company

North American Life Assurance Company has now completed a year as a "mutual" organization and has made excellent progress during 1931, partly as a result of this move. It was one of the few companies to show an increase in business during 1931, total paid for business during the year amounting to almost $22,000,000 as compared with $18,300,000 in the previous year. The 1931 total includes group business of approximately $1,000,000.

Originally incorporated in 1879, it is a peculiar coincidence perhaps that its original title was "The North American Mutual Life Assurance Company." A year later, however, the company's present name was adopted and now the original intention of its founders has been realized through the mutualization plan carried out in March, 1931. This was accomplished by redemption of the company's capital stock or guarantee fund out of the accumulated surplus in the company's non-participating fund, which was in accordance with the original charter which made provision to this effect.

New Head Office

At the present time, the company is constructing a new head office building on the site of its former office, King Street West, Toronto. Eventually, a 15-story structure is planned but immediate plans call for the erection of a 7-story building.

In addition to operating in all parts of Canada, the company also does business in Newfoundland, Bermuda, Bahamas, British West Indies, the Yukon, and in the states of Illinois, Michigan, and Washington, U. S. A. As at the end of 1930, its total business in force outside Canada after deducting reinsurance, amounted to approximately $12,000,000.

Bonds Predominate

Analysis of its investments shows 42 per cent of ledger assets, to be invested in government, municipal, and industrial bonds and 10 per cent in stocks. Ledger value of these two groups as at the end of the year totalled $23,565,000. Mortgages held by the company total almost 29 per cent of total assets and are valued at $13,000,000 as compared with approximately $11,300,000 a year ago.

During 1931, the company paid $4,930,000 to policyholders and beneficiaries making the total of such payments since incorporation, $58,294,000. In addition to statutory reserves for policyholders of $37,000,000, the company had at the end of 1931 investment and contingency reserves of over $1,000,000 and a surplus fund of $7,000,000 of which $4,564,000 was contingently or absolutely apportioned to policyholders and the remainder constituted free and unassigned surplus.

Officers — Thomas Bradshaw, pres.; W. K. George, W. B. Taylor, C. W. I. Woodland, vice-presidents; D. E. Kilgour, gen. mgr.; E. J. Harvey, supt. of agencies; C. W. Strathy, treas.; W. G. Gallow, sec.; A. F. Hall, actuary; J. A. McCamus and E. H. Hanley, supervisors of agencies; W. M. Anderson, supervisor of field service; T. M. Sargant, agy. aud.; J. F. Wells, asst. treas.; W. J. Burgar, asst. sec.; George Ryrie, asst. act.; T. D. Archibald, M.D., med. dir.; J. G. Falconer, M.D., asst. med. dir.

Directors—Thomas Bradshaw, W. K. George, C. W. I. Woodland, C. L. Burton, F. S. Corrigan, Hon. G. S. Henry, A. C. McMaster, K.C., A. J. Mitchell, F. A. Rolph, W. B. Taylor, Toronto; G. H. A. Montgomery, K.C., Montreal; Hon. L. A. Taschereau, Quebec, P.Q.

(There are three vacancies on board).

Field of Operations—Canada, Newfoundland, Bermuda, Bahamas, British West Indies, the states of Illinois, Michigan and Washington, U.S.A., and in the Yukon.

Classes of Business Written — Ordinary (participating and non-par. business); Group.

Growth of Business

Year	Assets $	Business In Force $000	New Insur. Paid For* $000
1927	35,607,668	165,684	25,213
1928	38,965,288	180,023	24,312
1929	42,135,402	190,210	23,250
1930	45,221,900	192,535	18,290
1931	46,855,113	197,899	22,935

*Ordinary, industrial, and group.

Percentage Analysis of Assets

	1931 %	1930 %	1929 %
Bonds:			
Government	15.3	14.6	15.8
Municipal	13.9	12.5	12.7
Other	12.7	16.5	16.4
Total bonds	41.9	43.6	44.9
Stocks:			
Preferred	4.5	7.4	7.2
Bank, loan, trust & Cons. Gas	5.3	5.6	6.0
Common	.5	.5	
Total stocks	10.3	13.5	13.2
Mortgages	28.7	25.9	26.3
Real estate	1.3	1.2	1.2
Policy loans	17.2	15.4	14.0
Other assets	.6	.4	.4
	100.0	100.0	100.0
Interest earned*	5.92	6.14	6.15

*On mean invested assets.

PHOENIX BRANCH STARTED IN 1804

English Company Has Over $7,000,000 in Force in Canada

Phoenix Assurance Co., a branch of one of the big English companies, has been doing fire business in Canada since 1804, and was authorized, in addition, to carry on the existing business of the Pelican and British Empire Life Office in 1908. A Dominion license was granted in 1910.

Total business in force in Canada at the end of 1930, the last year for which complete figures are available, amounted to $7,210,095. In that year the company reported $158,339 new insurance paid for, this comparing with an average for the preceding three years of approximately $430,000 annually.

Total assets in Canada at the end of 1930 amounted to $4,302,659, of which $3,003,387 was held solely for the protection of Canadian policyholders, divided thus: mortgage loans on real estate, first liens, $417,832; bonds, debentures and debenture stocks, at market value, $2,585,555.

Company's chief agent in Canada is J. B. Paterson, Canadian directors being C. W. Dean, F. S. Meighan and A. B. Wood.

Head Office—London, Eng.

Head Office in Canada—480 St. Francis Xavier St., Montreal, P.Q.

Classes Written in Canada—Ordinary; par. and non-par.

Growth of Business

Year	Assets ($ 000)	Business in force ($ 000)	New Ins. paid for ($ 000)
1927	4,142	8,070	510
1928	4,154	7,996	456
1929	4,155	7,673	320
1930	4,808	7,210	158

Few Firms Now Remain To Write Disability Clauses

Valuable Feature of Insurance Coverage Has Had Rough Passage in Recent Months — Canadian Companies May Evolve New Plan

In recent years the disability feature of an insurance contract has become so customary that its disappearance within recent months has given rise to some considerable discussion as to just what is involved in this consideration. As at December 30, 1930, there were over 1,000,000 policies in force in Canada with disability benefits attached. The net amount of insurance involved was over $2,200,000,000.

Historically, Canadian companies were among the first to pioneer in disability coverage, which means, of course, the payment of a small additional premium over and above what is necessary for life insurance protection and which provides for either the waiver of premiums in the event of the insurer becoming totally disabled, or else in addition to waiver of premium, the payment of a regular monthly income to any insurer who becomes totally disabled.

U. S. Companies Too Liberal

In recent years American companies have overstepped the mark in their attempt to give increasingly more disability benefits for the same amount of money. This situation came to a head after the stock market crash of 1929 when many policyholders apparently found it highly profitable to "cash in" on their disability benefit clauses in order to regain a means of livelihood.

Fortunately Canadian companies were more conservative in their underwriting of disability, but even in Canada it was found necessary to raise the rate on this coverage by 25 per cent as at June, 1930.

In the United States the situation went from bad to worse and at a meeting of the Actuarial Society of America in New York in May, 1931, many suggested reforms were proposed which ultimately led to leading companies doing business in that country abandoning entirely the monthly benefit for disability and retaining only the premium waiver feature of this coverage.

Canada Still Interested

In Canada all but six or seven of the leading Canadian companies adopted a similar plan which became effective for the most part on Feb. 1 of this year. The remaining Canadian companies are now engaged in drafting a modified disability plan which it is hoped will be brought into effect on June 1 and which will probably provide that monthly income shall not be payable under a disability benefit until 6 months has elapsed; that the age limit for a disability be reduced from 60 to 55; and that the period during which the income shall be paid be limited. If some plan as this can be successfully worked out it may mean an important forward step in this branch of underwriting. The companies attempting to work out this new basis are: Confederation, North American, London, Crown, Dominion and Montreal Life.

The viewpoint of those companies which have abandoned the disability monthly income plan entirely was well summed up by the following remarks made by the general manager of one of the leading Canadian companies at the company's annual meeting recently. He said, in part:

"There has been a great deal of discussion in insurance circles, during the year, regarding the total disability clauses, which for some years have been granted in connection with life insurance. Many companies have found this clause to be yielding increasingly damaging results. There has undoubtedly been a growing tendency on the part of some policyholders, who had this clause in their policies, to take an improper advantage of it. The companies have been finding it increasingly difficult to meet this tendency without losing either money or prestige. In other words, they have been frequently faced with the alternative of paying a claim which was felt to be unjust to the interests of their other policyholders, or of getting a reputation in that community for disputing claims. The public seldom knows the facts and the companies are at times accused of harsh treatment in cases in which they know that if the claim is granted the funds of their other policyholders would be improperly depleted. Life companies have gained in the past a splendid reputation for prompt payment of claims and these disability disputes have recently been tending to undermine this advantage which they enjoyed.

"While a recent investigation of our own disability experience shows that our selection has minimized the difficulties of this business for us, nevertheless it has convinced us that the odds are in the long run against even the best methods of selection. This belief, combined with the dangers to reputation involved in disputing the correctness of claims, has convinced us that it is advisable in the future to restrict the coverage to a waiver of premium only. We may say that our judgment in this regard seems to be that of the majority of the companies on this continent. It is with some regret that we reached this conclusion but at the same time we believe that the maintenance of a clause which waives any premium falling due during the continuance of disability, covers for all practical purposes the legitimate needs of the insured under a life policy. It is our conviction that insurance against loss of earning power during total disability should rest on an entirely separate contract and be dealt with by companies either specifically organized for that purpose, or by a separate branch of a life company where the funds are entirely segregated from those of the ordinary policyholder. It is in our opinion unjust that any losses which may be involved by this class of insurance should be allowed to come out of the profit earnings of the ordinary policyholder."

NEW YORK LIFE CANADA BUSINESS NOW $195,000,000

New Paid For Business in Canada Shows Drop in 1931

New York Life Insurance Co. commenced business in Canada in 1868, and at the end of 1931 had gross business in force in this country of $194,493,976. At the end of 1930 business in force in Canada totalled $198,500,000. All of this is on the ordinary insurance plan.

New paid-for insurance in Canada over the four years 1927-30, inclusive, averaged over $19,500,000, but gross business paid for in 1931 declined to $11,039,002.

Total assets in Canada as at December 31, 1930, amounted to $44,984,462, of which $33,749,776 was held solely for the protection of Canadian policyholders, this being distributed: first mortgages on real estate, $7,760,535; bonds, debentures and debenture stocks, at market value, $25,989,241. At the end of 1931, assets in Canada to meet the company's obligations totalled $48,529,243, and in addition the company reports a further $14,000,000 invested in Canadian securities.

The company's chief agent in Canada is Percy V. Raven, Montreal.

Head Office — 346 Broadway, New York, N.Y.

Head Office in Canada — Montreal Trust Bldg., Montreal.

Classes Written in Canada—Ordinary, par and non-par.

Growth of Business in Canada

Year	Assets ($ 000)	Business in force ($ 000)	New Ins. paid for ($ 000)
1927	34,114	172,043	20,188
1928	36,507	182,547	19,734
1929	41,173	192,398	20,100
1930	44,984	198,506	18,225
1931	48,529	194,494	11,039

Total Assets, Dec., 1931—$1,890,144,881.

Total Business in Force, Dec., 1931—$7,657,373,158.

Total New Ins. Paid-for, 1931—$673,000,000.

Columbia Life Reports Increase in Business

Columbia Life Assurance Co. of Vancouver commenced business in 1929 under federal charter and has at the present time something over $500,000 of business in force on its books Detailed figures are not available for 1931 but the company is reported to have increased business in force by 25 per cent from the figure of $420,000 at the end of 1930. Total assets at the end of 1930 were $98,000.

In 1930 the company paid for $131,270 of business which is written entirely on the non-participating plan. F. W. B. Law is managing director of the firm which had a paid-up capital stock at the end of 1930 of $99,000.

Officers—W. C. Brown, K.C., pres.; T. A. Love, 1st vice-pres.; W. R. Gilbert, 2nd vice-pres.; F. W. B. Law, man. dir. and sec.

Directors—W. C. Brown, K.C., W. R. Gilbert, R. W. Fiddes, F. J. McCleery, W. E. Anderson, G. W. Ledingham, all of Vancouver; T. A. Love, Grand Forks; F. W. B. Law, Burquitlam, B.C.; M. C. McLeod, Powell River, B.C.

Classes of Business Written — **Ordinary** (participating and non-par. business).

Capital—Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	99,548

Growth of Business

Year	Assets $	Business in force ($ 000)	New ins. paid for ($ 000)
1927	......	......	......
1928	......	......	......
1929	126,000	270,000	124,000
1930	98,000	420,000	131,270

DIFFICULT YEAR FOR EMPIRE LIFE

Business in Force is High But Investment Problems Worry

Empire Life Insurance Co. has been doing business in Canada for nine years and operates under a license from the Ontario government. Total business in force at the end of 1931 amounted to $18,246,000, as compared with $20,117,000 in 1930. Business issued and revived in 1931 was $3,430,655 as compared with $4,832,000 in 1930. The company compiles no records of business on a paid for basis.

In 1929 the company merged with the Commonwealth Life of Hamilton and in this way absorbed something over $8,000,000 of business. This merger nearly doubled the company's business in force but the company has found some difficulty in absorbing this business successfully.

Another difficulty with which the company has had to contend is the fact that it invested substantially in high grade industrial stocks during 1930, and the subsequent decline in market values has caused a substantial shrinkage in the company's assets. Total assets as at the end of 1931 stood at $2,013,529 of which $781,000 was industrial stocks on the basis of 1931 values prescribed by the Ontario Superintendent of Insurance. Mortgages totalled $487,736 while loans to policyholders amounted to $141,774.

Policyholders interests are amply protected, however, for the company shows statutory reserves for policyholders, of $1,592,000 and after meeting other liabilities, a surplus for the protection of policyholders of $252,000. This figure, however, includes capital stock paid in which amounts to $492,900 indicating an impairment of capital at that date of $240,951, as compared with a similar impairment of $209,349 a year ago.

The company is heavily capitalized with an authorized capital stock of $5,000,000 of which $3,644,500 had been subscribed at the end of 1930 and at the end of 1931, $492,900 had been paid in. This provides a further margin of security for policyholders in that if at any time it is found necessary the company can make a call on shareholders in order to provide more capital. Shareholders have already paid in, however, $927,440 as premium on capital stock.

Officers—

M. P. Langstaff, pres. and man. dir.; W. B. Fairley, supt. of agencies; J. R. Paterson, sec.-treas.; L. T. Boyd, actuary; H. C. Parsons, medical referee.

Directors—

G. M. Bell, J. Hallam, Dr. F. H. Kirkpatrick, M. P. Langstaff, B. R. McKenzie, J. P. Whelan, T. H. Wilson, A. H. Vanderburgh, J. M. Vaughan.

Classes of Business Written — Ordinary (participating and non-par. business).

Capital—Authorized	$5,000,000
Subscribed	3,644,500
Paid-up	492,900

Growth of Business

Year	Assets ($ 000)	Business in force ($ 000)	New Ins. * † ($ 000)
1927	442	6,282	2,477
1928	699	9,139	4,125
1929	1,674	19,636	6,177
1930	1,878	20,117	4,832
1931	2,014	18,246	3,431

*No record of business on paid-for basis.
†Issued and revived.

Insurance managers of Ottawa have formed a Life Managers' Bureau with the object of promoting an interchange of experience and encouraging constructive debate upon insurance matters. Officers are: president, W. D. Burden, Canada Life; vice-president, George C. Stevenson, Great-West Life; and secretary-treasurer, H. S. Racine, Capital Life. Other executives are Norman Haugh, Metropolitan Life, and W. R. Gunn, Dominion Life.

CONFEDERATION IN FRONT RANK AT SIXTIETH YEAR

Operations Now Extend to Many Parts of World

Confederation Life Association celebrated last year its sixtieth anniversary it having commenced business in October, 1871. In that time it has grown to rank among the first ten companies in Canada, from the point of view of business in force, and indeed ranks sixth among purely Canadian life insurance companies in point of view of total assets.

As at the end of 1931, total assets amounted to $88,490,000, while total business in force (including $23,629,000 of group insurance) totalled $381,085,000. In the past six years the company has approximately doubled the volume of business on its books.

In addition to its Canadian business, Confederation Life operates in Great Britain, Newfoundland, New York State, Mexico, and in various parts of the British West Indies and Central America. As at the end of 1930, of its total business in force, approximately $126,000,000, out of a grand total of $369,000,000 was outside Canada.

Analysis of its investments shows at the end of 1931, 52 per cent of its assets was invested in bonds which were valued in the company's balance sheet at $43,655,000. Total holdings of bonds and stocks represented 56.3 per cent of ledger value or $47,247,000.

Payments to policyholders and beneficiaries in 1931 totalled nearly $10,000,000, bringing the total paid since the company's inception to $94,580,000. In addition to statutory policyholder reserve of $76,000,000 the company reported over $7,500,000 of surplus funds at the end of the year, and a contingency reserve of over $1,000,000.

Officers—C. S. Macdonald, pres.; R. S. Waldie and Col. J. F. Michie, vice-presidents; V. R. Smith, gen. mgr. and actuary; C. D. Devlin, gen. supt. of agencies; C. R. Dent, sec.

Directors—

Representing shareholders: C. S. Macdonald, John Firstbrook, J. E. Ganong, B. B. Cronyn, W. C. Laidlaw, C. P. Smith, all of Toronto; P. A. Thomson, Montreal.

Representing policyholders: R. S. Waldie, Col. J. F. Michie, W. L. Matthews, A. F White, all of Toronto.

Field of Operations—Canada, U. K. of Great Britain, Newfoundland, New York State, Mexico, Cuba, Curacao, Grenada, Jamaica, Santo Domingo, Trinidad, British Honduras, Guatemala, Honduras, Nicaragua and San Salvador.

Classes of Business Written — Ordinary; (participating and non-par. business); group.

Capital—Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	200,000

Dividends Paid on Capital Stock—20% per annum.

Growth of Business

Year	Assets $	Business in force ($ 000)	New ins. paid for‡ ($ 000)
1927	57,133,486	258,466	44,105
1928	64,869,835	291,725	47,226
1929	74,448,673	*337,349	55,026
1930	81,936,094	†369,027	53,448
1931	88,490,249	381,085	45,674

*Includes business taken over from the Security Life.
†Includes business taken over from the Commercial Travellers' Mutual Benefit Society.
‡Includes ordinary and group.

Percentage Analysis of Assets

	1931 %	1930 %	1929 %
Bonds:			
Government	16.94	16.70	19.00
Municipal	15.42	15.29	15.67
Other	19.64	19.83	18.00
Total bonds	52.00	51.82	52.67
Stocks:			
Preferred	1.79	1.98	1.75
Common	2.49	2.63	2.73
Mortgages	17.72	18.64	18.94
Real estate	4.22	4.43	4.84
Policy loans	21.26	20.06	18.73
Other assets	.52	.44	.34
	100.00	100.00	100.00
Rate of int. earned	5.63	5.84	5.86

SAUVEGARDE LIFE ORGANIZED 1903

French-Canadian Institution Has $30,000,000 in Force

Organized in 1903 with head office at Montreal, La Sauvegarde Life Insurance Co. operated under Quebec license for 9 years and since that time has been under federal supervision.

As the leading French-Canadian life insurance company operating in Canada, the company has a good volume of business on its books although total business in force at the end of 1931 was slightly lower than the previous year, at $30,891,336 compared with $31,160,000 at the end of 1930. Total assets are $4,631,409 an increase of about $200,000 over the 1930 figure.

Business paid for in 1931 amounted to $3,960,000 which compares with $4,469,000 in 1930. Paid for business reached a peak in 1927 at $5,729,000. The company writes largely ordinary business with a small volume of group business.

Officers — Narcisse Ducharme, pres. and mgr.; Hon. Sir H. Laporte, 1st vice-pres.; L. M. Lymburner, 2nd vice-pres.; Jean Pasquin, sec.; Pierre Camu, actuary.

Directors—

Representing shareholders: Narcisse Ducharme, Hon. Sir H. Laporte, L. M. Lymburner, J. N. Cabana, C. A. Roy, all of Montreal; Alphonse Milette, Terrebonne, Que.

Representing policyholders: R. R. Bachand, N.P., Waterloo, Que.; Adjutor Cote, N.P., Montreal; Arthur Vallee, K.C., Outremont.

Classes of Business Written — Ordinary (participating and non-par. business); group.

Capital—Authorized	$2,000,000
Subscribed	1,196,000
Paid-up	226,480

Growth of Business

Year	Assets $	Business in force ($ 000)	New ins. paid for ($ 000)
1927	3,605,000	25,752	5,729
1928	3,917,000	28,537	5,278
1929	4,195,000	30,438	5,225
1930	4,457,000	31,160	4,469

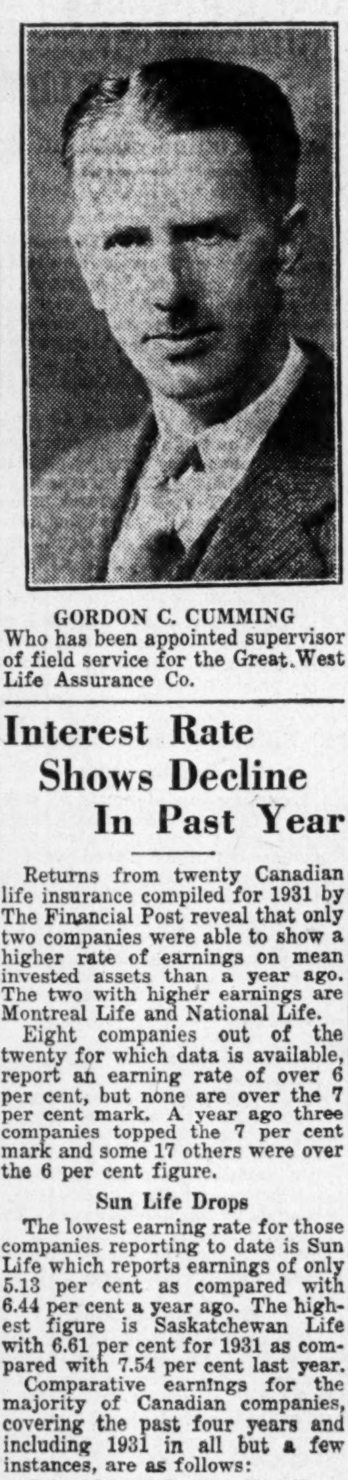
Lower Premium Income For Toronto General

Lower premium income of $948,000 as compared with $1,235,000 in 1930 is reported by Toronto General Insurance Co. for the past year. The decline is attributed largely to a dropping off in income from workmen's compensation coverage which netted only $268,000 in premiums in 1931 as compared with $439,000 in 1930. The company reports a higher loss ratio for the year which is offset in part by a lower expense ratio.

Total assets are shown at $1,283,158 as against $1,494,965 a year ago. Surplus, over and above capital stock paid up of $284,390, is lower by about $50,000 at $307,835. This is considered satisfactory by officials of the company in view of the fact that during the year the company set aside out of earnings the sum of $50,000 to be added to claims reserve and in addition met other contingencies totalling in all about $90,000.

The company's chief asset is bonds and debentures taken in at values allowed by the superintendent of insurance of Ontario, and amounting to $957,627. This valuation is stated to be $10,000 in excess of book value.

Field Supervisor



GORDON C. CUMMING
Who has been appointed supervisor of field service for the Great-West Life Assurance Co.

Interest Rate Shows Decline In Past Year

Returns from twenty Canadian life insurance compiled for 1931 by The Financial Post reveal that only two companies were able to show a higher rate of earnings on mean invested assets than a year ago. The two with higher earnings are Montreal Life and National Life.

Eight companies out of the twenty for which data is available, report an earning rate of over 6 per cent, but none are over the 7 per cent mark. A year ago three companies topped the 7 per cent mark and some 17 others were over the 6 per cent figure.

Sun Life Drops

The lowest earning rate for those companies reporting to date is Sun Life which reports earnings of only 5.13 per cent as compared with 6.44 per cent a year ago. The highest figure is Saskatchewan Life with 6.61 per cent for 1931 as compared with 7.54 per cent last year.

Comparative earnings for the majority of Canadian companies, covering the past four years and including 1931 in all but a few instances, are as follows:

Rate of Interest Earned to Mean Net Ledger Assets
(a)—Canadian Companies

Company:	Rate 1928 %	1929 %	1930 %	1931 %
Canada	6.02	6.03	5.94	5.80
Capital	6.44	6.40	6.44	5.72
Columbia	...	7.43	5.13	...
Commercial	7.50	7.13	7.82	...
Confederation	5.89	5.86	5.84	5.63
Continental	6.21	6.18	6.14	5.95
Crown	6.43	6.29	6.41	6.19
Dominion	6.99	6.91	6.66	6.24
Dom. of Can. Gen.	5.58	5.73	5.83	...
T. Eaton	6.19	6.02	6.14	5.93
Excelsior	6.04	5.92	5.88	5.74
Great-West	6.24	6.14	6.12	5.77
Imperial	6.05	6.00	6.00	5.82
London	6.50	6.45	6.46	6.45
Manufacturers	6.42	6.48	6.28	6.22
Maritime	6.09	5.95	5.95	...
Monarch	7.64	7.62	7.66	...
Montreal	5.74	5.69	5.96	5.98
Mutual	6.36	6.30	6.13	5.73
National	5.66	5.68	5.75	5.92
North American	6.20	6.15	6.14	5.92
Northern	6.22	6.33	6.10	...
Ontario Equitable	6.65	6.52	6.51	6.17
Saskatchewan	7.17	7.20	7.54	6.61
Sauvegarde	6.08	6.30	6.06	...
Sovereign	6.80	6.90	6.85	6.08
Sun	6.93	7.02	6.44	5.13
Western	6.34	6.39	6.51	...

RECORD IN CANADA OF TRAVELERS CO. LONG-ESTABLISHED

Hartford Company Has Had Life Branch Here Since 1865

Travellers' Insurance Co. of Hartford has been operating in Canada since 1865 and accordingly is one of the oldest insurance companies doing business in this country. No detailed figures are available for 1931 but 1930 figures show the life branch with over $140,000,000 in force in this country, over three-quarters of which is in ordinary insurance and the remainder is in group. In 1930, the company paid for $15,440,000 of ordinary business and $1,361,000 of group insurance all of which (excepting $80,000 of ordinary business) was on the non-participating plan.

As at the end of 1930, total assets in Canada amounted to $19,846,000 of which $15,702,000 were held solely for the protection of Canadian policyholders. Of the latter figure, practically the entire amount was in the form of bonds, debentures and debenture stocks approved by the federal Superintendent of Insurance. Of the total $844,000 was on deposit with the receiver-general at Ottawa, the remainder being held in Canada by trustees.

Covers Entire Field

In addition to life insurance, the company and its associates, the Travellers' Indemnity Company, and the Travellers Fire Insurance Company, writes practically every form of insurance.

Assets of these three companies amounted at the end of 1931 to practically $700,000,000, while total new life insurance paid for in 1931 was $705,000,000, and life insurance in force rose to $4,742,804,000. Total payments to policyholders in the United States and Canada amounted to just over $1,000,000,000.

Head Office: Hartford, Conn.

Head Office in Canada: 465 St. John St., Montreal, P.Q.

Classes Written in Canada: Ordinary and group; par and non-par.

Growth of Business in Canada

Year	Assets ($ 000)	Business in Force ($ 000)	New insur. Paid for ($ 000)
1927	14,617	124,103	23,252
1928	15,563	134,085	23,739
1929	17,426	140,423	20,695
1930	19,846	142,018	16,801

Total Assets, Dec., 1931: $661,521,006.

Total Business in Force, Dec., 1931: $4,742,804,839.

Total New Ins. Paid-for, 1931: $705,043,693.

Too much insurance is carried on Halifax schools, the school board indicated at a recent monthly meeting. The total value of the buildings, many of which are fire-proof, it is said, is fixed at $2,197,996, and the insurance carried totals $1,142,800. The matter is under investigation by a special committee.

Royal Guardians Mutual Company

Royal Guardians is a mutual life insurance company with head office in Montreal which commenced business under a federal charter in 1910. Originally the company was organized in 1908 as a fraternal benefit society with a Quebec charter.

As at Dec. 31, 1931, the company had gross business in force of $4,087,183 and assets of $1,115,605. Business paid for during 1931 totalled $732,297 as compared with $1,026,000 in 1930. Of total business in force about $500,000 is industrial and the remainder is ordinary business, two thirds of which is participating and the remainder non-par.

In addition to its life branch, the company also writes sickness and accident insurance.

Officers—J. Hyde, pres.; A. T. Patterson, vice-pres. and mgr.; W. F. Patterson, sec.

Directors—

Representing policyholders: J. Hyde, A. T. Patterson, C. E. Ward, E. E. Workman, W. H. Bardwell, all of Montreal; C. P. Wood, Rev. Dr. F. Charters, Westmount; H. W. Monsell, St. Lambert; Lucien St. Mars, Longueuil, Que.

Classes of Business Written — Ordinary (participating and non-par. business); industrial.

Growth of Business

Year	Assets $	Business in force ($ 000)	New ins. paid for ($ 000)
1927	1,077,000	4,256	1,508
1928	1,236,000	4,589	1,409
1929	1,269,000	4,411	995
1930	1,220,000	4,296	1,026

Can. General Insurance Maintains Net Income

Canadian General Insurance Co. reports net premium income for 1931 of $638,397 as compared with $696,726 in 1930. Loss ratio is reported higher for the year while expenses are down.

Analysis of the company's balance sheet shows total assets of $1,278,791 as compared with $1,318,554 the previous year. Surplus (over and above capital stock paid up of $500,000), amounted to $246,094, a decline of $127,000 from the corresponding figure of 1930. This is largely attributable to the fact that reserves for unpaid claims, and so forth, have been increased by $78,000 and also provision has been made out of earnings for depreciation in the value of the company's investments from book value which has occurred during the year.

Of total assets the bulk are invested in bonds and debentures taken in at market value allowed by the federal department of insurance, and shown at $985,000. The auditor's report states that no reserve has been provided for the difference between these values and actual market values as at Dec. 31, 1931.

Assets

The Company's assets are invested as follows:

First Mortgages on Real Estate.	43%
Government and Municipal Bonds	19%
Public Utility and Industrial Bonds	7%
Preferred and Common Stocks	3%
Loans on Company's Policies	18%
Home Office and Other Real Estate	3%
Cash and Other Assets	7%
	100%

Crown Life Progress in 1931

New Insurance Issued
$21,762,533.00
Insurance-in-Force Increased to
$136,684,208.00
Assets Increased to
$16,654,077.99
Paid to Policyholders and Beneficiaries
$2,109,510.53
Average Interest Realized
6.19%

Copy of full Annual Report on request.

CROWN LIFE
INSURANCE COMPANY

Rt. Hon. Sir Robert L. Borden
President

H. R. Stephenson
General Manager

SOLID AS THE CONTINENT

GREAT STRENGTH AND SECURITY—For every $100.00 of liabilities the Company holds $118.00 of assets, distributed as follows: 75% in Government and Municipal Bonds, First Mortgages and Policy Obligations; 20% in Corporation Bonds, Cash, Real Estate, Bank, Loan, Trust and Consumers' Gas Stocks; 4½% in Preferred Stocks; and ½ of 1% in Common Stocks. Interest rate 5.92%.

ESTABLISHED 1881
SOLID AS THE CONTINENT
A MUTUAL COMPANY
ALL PROFITS PAID TO POLICYHOLDERS

ASSETS
$46,855,113

NORTH AMERICAN LIFE

SURPLUS
$7,007,959

A safe and sure way to *Grow Richer* as you *Grow Older*

There is a safe and sure way to accumulate wealth—a way that guarantees you an income every month for the rest of your life after you reach the age of 60. And in addition it provides positive protection for your family.

The Great-West Prosperity Policy is one of the soundest, shrewdest investments you can make. It makes definite provision for the period when advancing years must inevitably bring declining earnings.

For example a man, age 25, can purchase a monthly income of $100 a month for life commencing at 60 by depositing $313.50 annually. At the same time he provides protection for his family in the event of early death. Find out all about this investment plan now. Mail the coupon today.

MAIL THIS COUPON
The Great-West Life Assurance Co., Winnipeg, Man.
Dept. A67-B
Without obligation, please send complete information about The Great-West Prosperity Policy.
Name
Address

THE GREAT-WEST LIFE
ASSURANCE COMPANY
HEAD OFFICE --- WINNIPEG

INDUSTRIAL FIELD INCREASES SCOPE OF LONDON LIFE

Business in Force Nears Half Billion Dollar Mark

London Life Insurance Company ranks among the first ten insurance companies in Canada, by reason of a diversified business which includes $157,000,000 of industrial insurance, and $38,000,000 of group insurance as well as $270,000,000 of ordinary life. Total insurance in force at the end of 1931, (including reinsurance) amounted to $468,436,000 while total assets were $72,221,000.

Organized at London in 1874 the company originally started under an Ontario Government charter which was extended to a federal charter some ten years later. In 1887 the company commenced writing industrial business as well as ordinary participating and non-participating insurance, and in 1919 it was one of the pioneers in the group insurance field in Canada. It now has 423,791 industrial policies on its books, 110,000 ordinary policies, and 419 group insurance contracts.

Concentrates on Canada

Except for its business in Newfoundland, London Life confines its activities to Canada. The total amount of business in force outside the country being only $55,000 at the end of 1930.

Analysis of the company's assets shows that approximately 65 per cent of ledger assets as at the end of 1931 was invested in mortgages. The total figure was $45,253,000 as compared with $40,586,000 a year ago. Bonds comprise the next important group, this item having remained approximately constant at $14,000,000 for some years. Bonds at the present time represent 20 per cent of the company's assets although the percentage has been steadily declining since 1920 when approximately 23 per cent of the company's assets were invested in this type of security.

High Earning Rate

In 1931, the company paid to policyholders and beneficiaries $6,554,000 bringing the total since commencement of business to $39,414,000. In addition to statutory reserve requirements, in the form of policyholder reserve, of $58,850,000 the company has investment and other reserve funds of $3,463,000, and free surplus of $2,812,000. Earnings on its investments are maintained at a high level due to the high proportion of its investment in mortgages, and for the past three years it has averaged 6.45 per cent.

Officers—J. G. Richter, pres.; J. Edgar Jeffery, vice-pres.; Edward E. Reid, man. dir.; J. S. Lovell, sec.; J. D. Buchanan, actuary; Angus Graham, M.D., med. dir.; J. F. Maine, supt. ind. agen.; J. G. Stephenson, supt. ord. agen.

Directors—

Representing Shareholders: J. G. Richter, G. E. Reid, A. C. Spencer, J. E. Jeffery, C. L. Jeffery, E. E. Reid, all of London, Ont.

Representing Policyholders: T. W. Baker, W. Gorman, A. McPherson, all of London, Ont.

Field of Operations—Canada and Newfoundland.

Classes of Business Written—Ordinary (participating and non-par. business); Group, Industrial.

Capital—Authorized	$1,000,000
Subscribed	500,000
Paid-up	200,000

Dividends Paid on Capital Stock—20% per annum.

Growth of Business

Year	Assets $	Business in Force $000	New Insur. Paid For* $000
1927	44,146,804	295,906	81,223
1928	50,903,652	352,042	99,603
1929	57,909,575	407,828	109,343
1930	65,473,257	439,700	102,770
1921	72,221,417	461,207	95,199

*Includes Ordinary, Industrial and Group.

Percentage Analysis of Assets*

	1931	1930	1929
Bonds:			
Government	7.2	7.1	9.3
Municipal	9.9	12.4	14.8
Other	3.0	2.9	1.5
Total bonds	20.1	22.4	25.6
Stocks:			
Common	1.6	1.5	1.5
Mortgages	65.6	64.9	62.7
Real estate	1.2	1.2	1.8
Policy loans	11.5	10.0	8.9
Other assets	..	..	0.0
	100.0	100.0	100.0
Int. earned on mean invested assets	6.455	6.46	6.45

*Life Branch only; Accident and Sickness Branch assets not distributed.

ROYAL COMPLETES 80TH YEAR HERE

Established in England in 1845, Royal Insurance Company commenced writing life insurance in Canada in 1851. Its life business has increased but slowly, however, and at the end of 1930—the latest for which complete figures are available—the company had $26,368,665 of business on its books in Canada. In that year new paid-for insurance amounted to $1,836,655, comparing with the preceding three-year average of approximately $1,739,000.

Total assets in Canada during 1930 rose from $5,785,859 to $7,097,536, of which $4,871,462 was held solely for the protection of Canadian policyholders, this consisting of bonds, debentures and debenture stocks at market price.

The company's chief agent in Canada is J. H. Labelle, Montreal.

Head Office—Liverpool, Eng.

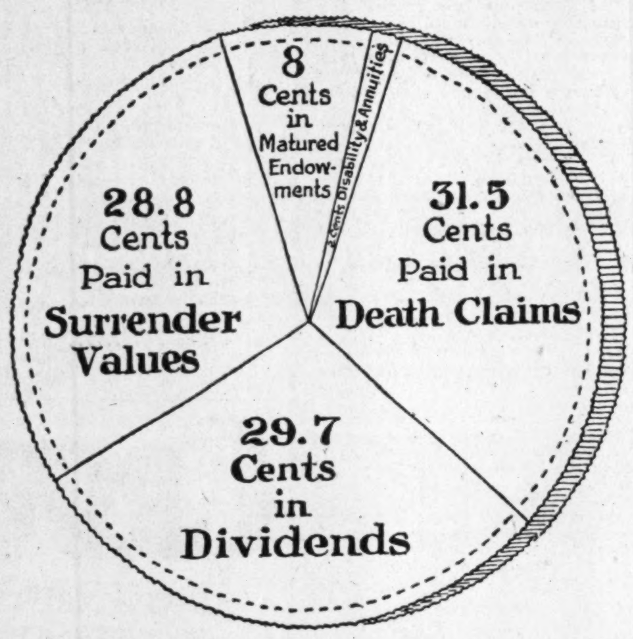
Head Office in Canada—Montreal.

Classes Written in Canada—Ordinary; par. and non-par.

Growth of Business in Canada

Year	Assets ($ 000)	Business in force ($ 000)	New Ins. paid for ($ 000)
1927	5,244	25,217	1,732
1928	5,429	25,580	1,885
1929	5,786	26,101	1,599
1930	7,098	26,369	1,837

Living Policyholders Get Lion Share



Out of every dollar paid to insurance policyholders in Canada in 1930, all but 31.5 cents was paid to living policyholders. The above sketch by The Financial Post shows clearly just how the policyholder dollar was divided in that year. Total disbursements to policyholders in Canada from federally licensed companies amounted to $135,407,000.

Sound Reason for Allowing Average Values for 1931

In the last week of 1931, legislation was passed at Ottawa to allow insurance companies in Canada to use special valuations for their holdings of bonds and stocks as at December 31 of that year.

Under ordinary circumstances it is customary for the federal superintendent of insurance, and provincial superintendents in their respective jurisdictions, to publish a list of valuations which will be allowed in making annual returns for the year. These values, are, within close limits, the market values of these securities as at the end of the year.

This year, however, every jurisdiction throughout the United States and Canada was seized with a realization that market values prevailing at that time bore in many cases little or no relation to the intrinsic value of sound securities bought for long-term investment and accordingly steps were taken to allow insurance companies to use average rather than Dec. 31 values in making their official returns.

No New Thing

Such action was by no means new, having been taken on four occasions during the war period, by the federal government at Ottawa and on eight different occasions by U. S. jurisdictions. Also the principle is inherent in the valuations allowed for mortgages on real estate which are taken in at book value because of inability to devise a better measure of intrinsic value from year to year.

The plan adopted by the majority of jurisdictions in the U. S. A. was to allow values as at June 30, 1931, because it was found that market values on this date approximated very closely the average market values of the five preceding quarters.

In Canada, June 30 values were allowed for the majority of preferred and common stocks and December 30, 1930, values for bonds and debentures not in default or not acquired during 1931. Accordingly in the balance sheets of Canadian insurance companies for 1931 the values shown are in practically every case on this basis and therefore not strictly comparable with 1930 figures.

The summarized statement of valuations as allowed by G. D. Finlayson, superintendent of insurance at Ottawa, and agreed to almost in toto by provincial superintendents, is as follows:

1. For bonds and debentures.

(a) held on December 31, 1930, and not since disposed of and not in default or intrinsically depreciated since the said date, the market values as at December 31, 1930:

(b) acquired since December 31, 1930, and not in default, the book values as at December 31, 1931.

(c) other than those mentioned in (a) and (b) above, the market values as at December 31, 1931.

2. For preferred and common stocks

(a) held on June 30, 1931, and not since disposed of, the market values as at the said date:

(b) acquired since June 30, 1931, the book values as at December 31, 1931.

MONARCH LIFE BEGAN BUSINESS 26 YEARS AGO

Business in Force of Winnipeg Firm Now Totals $61,148,000

Monarch Life Assurance Co., with head office at Winnipeg, began business in 1906. Licensed under federal government supervision, it does business in the western provinces, and has been established in Ontario for 25 years and has been operating in Quebec for five years.

The company's 1931 report shows total business in force of $61,148,000, while total assets amounted to $10,373,000 of which over half is invested in mortgages to the extent of $5,695,000. The company notes in its annual report for 1931 that in spite of a substantial increase in interest due and accrued which now stands at $604,000, the type of property on which the company has made loans has been justified by the fact that only $96,064 of the company's assets are represented by real estate.

Other assets include bonds and debentures taken in at federal government valuations which total $1,293,700. Policy loans amount to $1,919,600.

Death Claims Low

During the year the company paid out nearly $1,000,000 to policyholders of which approximately $190,000 was in dividends to policyholders and $222,000 in death claims which were only 24.4 per cent of tabular expectation. In addition to statutory reserves for policyholders of $8,862,000, the company has an investment reserve of $129,000 and a free surplus of $446,200 over and above capital stock up to $100,740.

Officers—

W. A. Matheson, pres.; W. L. Parrish, vice-pres.; J. A. Macfarlane, gen. mgr.; G. J. Telfer, sec.

Directors—

Representing Shareholders: W. A. Matheson, R. J. Gourley, W. L. Parrish, E. J. Tarr, K.C.; G. H. Stewart, all of Winnipeg; J. W. W. Stewart, Toronto.

Representing Policyholders: A. O. Marrin, W. T. Gwyn, D. H. Hudson, Winnipeg.

Classes of Business Written—

Ordinary (participating and non-par. business).

Capital—

Authorized	$2,000,000
Subscribed	996,600
Paid-up	100,740

Dividends Paid—$1 per annum.

Growth of Business

Year	Assets ($ 000)	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1927	7,081	52,512	7,013
1928	8,045	57,542	8,280
1929	9,001	61,569	7,656
1930	10,070	63,901	6,944
1931	10,373	61,148	6,025

WEST. EMPIRE LIFE HAS $2,000,000 ASSETS

Manitoba Company Has Been Operating For 20 Years

Western Empire Life Assurance Co. with head office at Winnipeg has been operating for 20 years and as at the end of 1931 had total business in force of $10,935,000. New insurance issued during the year amounted to $2,676,000, while total assets were shown at $2,031,000.

The company operates under a Manitoba charter and carries on business in the four western provinces. Since the beginning of 1931, the company has been in charge of F. C. O'Brien who was formerly secretary-treasurer of the company and was appointed general manager upon the retirement of William Smith, president and founder of the company, early in 1931. Hon. R. W. Craig, K.C., has since that time been president of the company.

Of total assets of just over $2,000,000 the company holds mortgages and agreements amounting to $1,058,000, bonds and debentures $229,600 and policy loans $372,500. Surplus to policyholders (excluding capital stock paid-up of $218,120) amounted at the end of 1931 to $60,796 as compared with $87,760 the previous year. In addition the company has a contingency reserve of $30,000.

BRITISH PRUDENTIAL EXPANDS IN CANADA

Now Heads British Life Offices in Business in Force

The life branch of Prudential Assurance Co. of London, England, completed its first complete year in the life insurance business in Canada at the end of 1931 and showed total business in force of $3,500,000 apart from annuities. This places the company in first rank among British life offices transacting business in Canada.

Prudential, which is one of the largest of the British life offices and has been a pioneer in the industrial insurance field in that country commenced operations in life insurance in Canada during 1930 and got underway in the fall of that year. It writes both participating and non-par business. No industrial business is being written in Canada.

At the beginning of 1931, the company had only one branch in active operation namely at Montreal, but at the present time it operates five, two in Toronto and one in Montreal, Hamilton and Windsor.

Frank C. Capon, formerly assistant manager for Canada, has been placed in charge of the company's life branch here while Arthur Pedoe, formerly with the Continental Life of Toronto, is the company's actuary in this country.

In addition to its life branch the company has been writing fire and casualty insurance here for many years.

LEADING EXECUTIVES

are turning more and more to The Financial Post for information and an accurate picture of the basic conditions of business.

You cannot afford to miss reading each issue during the coming year. Articles of vital interest to Business men and Investors will be published, which will alone be well worth the subscription price of $5.00.

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Toronto.

Please send me The Financial Post for the next year (52 issues), this to entitle me to obtain by letter, a personal reply from the Investment Editor to enquiries regarding any Canadian investments in which I may be interested by simply supplying a stamped return envelope. I enclose $5.00.

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ONT. EQUITABLE BUILDS BUSINESS ON NON-PAR LIFE

Large Volume Written in Short Corporate Life

Important changes in the executive officers of Ontario Equitable Life and Accident Company of Waterloo has centred attention recently on this twelve-year-old concern which in a comparatively short space of time has placed on its books approximately $50,000,000 of life insurance.

Founded by S. C. Tweed, in 1920, Ontario Equitable is the foremost Canadian company writing strictly non-participating life insurance in this country. It is licensed under an Ontario charter and writes business in all provinces of Canada except Nova Scotia and in Newfoundland.

Differences of opinion between Mr. Tweed and other directors of the company brought about his resignation as managing director and president of the company, which is now in charge of Hon. C. A. Dunning as president and M. J. Smith, general manager.

On Earning Basis

According to statements by company officials at the annual meeting held in February, the company has now definitely placed itself in a position of earning power from an underwriting point of view, although business issued and revived during the year dropped considerably to $7,119,000 as compared with $10,242,000 a year ago. Business in force now totals $51,356,000 as compared with $53,667,000 at the end of 1930.

Total assets at the end of the 1931 period, were shown as $8,125,000 of which 29 per cent was in bonds taken in at amortized or ledger value of $2,392,000. Mortgages held comprised 44 per cent of total assets, valued at $3,621,000. Of this total only 3 per cent is represented by farm mortgages. The company reports that the rate of interest earned on mean invested assets during 1931 was 6.17 per cent.

High Capitalization

One unusual feature of this company is its extremely high capitalization. Total authorized capital is $8,000,000 of which $6,741,600 is subscribed and $655,000 paid up. Since incorporation, approximately $1,238,000 has been paid as premium on capital stock. The fact that the company has now apparently reached the stage where it may expect an underwriting profit on its life insurance business should obviate the need for further sale of stock with premiums. Dividends have been paid on the company's capital stock since 1926, but strictly speaking have probably not been earned. Dividends were reduced from 6 to 4 per cent in February of this year.

In addition to statutory reserves for policyholders of $6,846,000, the company at the end of 1931 showed a surplus over and above paid up capital of $54,000 and in addition an investment reserve of $125,000. A year ago, the company's surplus was shown at $318,000 but the report of the superintendent of insurance for Ontario reduced this to approximately $70,000 and set up instead an investment reserve of $200,000. It is understood that the 1931 statement gives an accurate picture of the company's present position, which may be considered very satisfactory.

Officers—Hon. C. A. Dunning, pres.; J. C. Breithaupt, Senator H. W. Laird, and J. C. Haight, K.C., vice-presidents; M. J. Smith, gen. mgr. & sec.; G. W. Geddes, asst. gen. mgr. & act.; E. H. McKinney, supt. of agencies; F. D. Rueffer, treas.; H. E. Power, asst. sec.; H. G. Mistele, asst. treas.; E. R. Batho, asst. actuary; J. R. Fischer, accountant; W. L. Hilliard, medical director; J. C. Haight, K.C., solicitor.

Directors—Hon. C. A. Dunning, Ottawa; J. C. Breithaupt, Kitchener; J. C. Haight, K.C., Waterloo; Senator H. W. Laird, Regina; H. G. Bertram, Hon. F. C. Biggs, Dundas, Ont.; A. W. Briggs, K.C., Hon. Manning W. Doherty, H. Begg, Toronto; W. E. Long, Brantford; Hon. Harold MacPherson, St. John's, Nfld.; J. A. Martin, Kitchener; E. C. Mitchell, A. E. Silverwood, London; Charles S. Morton, Halifax; W. E. Payne, K.C., Red Deer, Alta.; E. K. Reiner, Wellesley, Ont.; J. M. Riddell, Stratford, Ont.; J. M. Walton, Aurora, Ont.

Field of Operations—Canada, in each province except Nova Scotia and in Newfoundland.

Classes of Business Written—Ordinary (non-participating); group.

Capital—Authorized	$8,000,000
Subscribed	6,741,600
Paid-up	655,016

Dividends Paid on Capital Stock—4% per annum.

Growth of Business

Year	Assets ($ 000)	Business in force ($ 000)	New insur. issued & revived ($ 000)
1927	4,475	36,784	8,541
1928	5,230	40,110	8,040
1929	7,323	52,460	12,763
1930	7,816	53,677	10,242
1931	8,125	51,356	7,119

*Business on a paid-for basis has only been compiled for 1931, the figure in that year being $6,326,408.

Percentage Analysis of Assets

	1931 %	1930 %	1929 %
Bonds:			
Government	5.0	6.0	7.4
Municipal	15.5	16.1	18.3
Other	8.8	7.9	5.6
Total bonds	29.3	30.0	*31.3
Stocks:			
Preferred	.4	.2	.2
Common	1.0	1.5	.9
Total stocks	1.4	1.7	1.1
Mortgages	44.4	46.0	47.1
Real estate	2.8	2.5	2.1
Policy loans	15.4	13.0	11.4
Other assets	6.7	6.8	7.0
Total assets	100.0	100.0	100.0
Interest earned†	6.17	6.51	6.52

†On mean invested assets.

State Life Co. Has $1,500,000 on Books

State Life Insurance Co., whose head office is in Indianapolis, Ind., commenced to write business in Canada in 1904. Total insurance in force at the end of 1930, the latest year for which complete figures are available, amounted to $1,459,170.

During the last three years the annual amount of new paid-for business in Canada has dropped off considerably, the total in 1930 having been $50,000. Assets in Canada totalled $438,333, of which $316,212 is held for the protection of policyholders.

The company's chief agent in Canada is W. H. Hunter, Toronto, Ont.

Head Office—Indianapolis, Ind.

Head Office in Canada—706 Temple Bldg., Toronto, Ont.

Classes Written in Canada—Ordinary, par. and non-par.

Growth of Business in Canada

Year	Assets ($ 000)	Business in force ($ 000)	New Ins. paid for ($ 000)
1927	529	1,666	514
1928	502	1,600	10
1929	453	1,590	75
1930	438	1,459	50

STANDARD LIFE CO. SHOWS $31,000,000 BUSINESS IN FORCE

Assets in This Country Totalled $20,000,000 in 1930

Standard Life Assurance Co., a powerful Scottish company, commenced writing life insurance in Canada in 1846 although it was not incorporated here until 1910.

Total business in force in Canada at the end of 1930, which is the last year for which complete figures are available, amounted to $31,413,735 at which it showed an increase over the preceding year of nearly $600,000, the growth having been continuous. In the past four years it has added an average of $2,300,000 of new paid-for insurance annually, the figure for 1930 having been $2,260,000.

Asset in Canada at the end of 1930 totalled $19,787,865 of which over $10,000,000 was held in bonds, debentures and debenture stocks, on deposit with the receiver-general solely for the protection of Canadian policyholders.

The chief agent of the company in Canada is W. H. Clark Kennedy, the Canadian directors being D. Forbes Angus, chairman, Sir Charles Gordon, F. E. Meredith, K.C., and G. B. Fraser.

Head Office—Edinburgh, Scotland.

Head Office in Canada—391 St. James St., Montreal.

Classes Written in Canada—Ordinary; par. and non-par.

Growth of Business in Canada

Year	Assets ($ 000)	Business in force ($ 000)	New Ins. paid for ($ 000)
1927	19,335	29,680	2,270
1928	19,417	30,237	2,057
1929	18,353	30,853	2,615
1930	19,788	31,414	2,260

MUTUAL RELIEF LIFE NOW LINE COMPANY

Rapid Growth Since New Charter Obtained in 1929

Founded in 1874, with head office in Kingston, Ontario, the Mutual Relief Life Insurance Co. had a long and honorable career over a period of 55 years as the Oddfellows' Relief Association.

In June, 1929, however, a new Ontario charter was obtained and Mutual Relief Life Insurance Co. began business as a purely mutual life insurance company operating on exactly the same basis as the leading line companies of Canada.

The company now has a coast-to-coast organization and at the end of 1931 total business in force amounted to $22,321,770. New business issued during the year showed an increase at $4,211,000 as compared with $3,283,000 in 1930. Thus the company was one of the few life companies in Canada to show an increase for 1931 as compared with the previous year.

Of the company's total assets of just over $5,000,000, bonds and debentures comprised the major share at $3,572,000. Of this total 48 per cent is represented by government and municipal securities. First mortgages are valued at $754,000 while policy loans total $222,000. The company shows a free surplus over and above all liabilities of $107,355. The percentage analysis of the company's investments is as follows: Government and provincial guaranteed bonds 14.9 per cent; municipal debentures 31.5 per cent; first mortgages on improved real estate 15.4 per cent; first mortgage real estate bonds 4.8 per cent.; public utilities and industrial bonds 27.8 per cent; stocks 1.1 per cent; policy loans 4.5 per cent.

Officers—

Dr. J. C. Connell, pres.; A. J. Meiklejohn, vice-pres. and gen. mgr.; W. T. Fortye, sec.-treas.; W. R. Hitchins, actuary.

Directors—

Dr. J. C. Connell, A. J. Meiklejohn, C. C. Folger, J. Donnelly, D. A. Shaw, W. Jackson, T. A. Kidd, Dr. H. C. Connell, W. H. Caldwell, J. M. Campbell, W. A. Mackintosh, J. Rigney, H. B. Muir, all of Kingston; W. McDonald, Montreal; J. Powley, Toronto.

Classes of Business Written—Mutual, ordinary (participating and non-par. business).

Growth of Business

Year	Assets ($ 000)	Business in force ($ 000)	New Ins. * ($ 000)
1930	5,079	21,043	3,283
1931	5,043	22,332	4,211

*Issued and revived.

CAPITAL LIFE CO. PAYS FOR $2,500,000

Business in Force of Ottawa Company Totals $21,125,000

New business issued and revived by Capital Life Assurance Co. of Canada during 1931 totalled $3,651,717 as compared with $4,000,990 in 1930. Business paid for during the year totalled $2,501,800 as compared with $2,008,633 the previous year. Total business in force amounts to $21,124,770.

Total assets at the end of 1931 were $2,818,288. Of the total bonds and debentures comprise practically 50 per cent with a market value of $1,697,200, loans on policies amounted to $551,000 as compared with $510,000 a year ago, and mortgages on real estate total just over $200,000. Premiums outstanding and preferred totalled $296,724. The market values of bonds and debentures are those authorized by the federal insurance department at Ottawa.

In addition to statutory reserves for policyholders amounting to $2,523,000, the company shows a surplus over and above capital stock paid-up, of $2,773, making a total surplus inclusive of paid-up capital of $139,833. A year ago net surplus exclusive of capital stock amounted to $42,217.

Death claims in 1931 are recorded as only 56 per cent of expected mortality while interest earned was at the rate of 5.72 per cent on the company's ledger assets. Payments to policyholders during 1931 totalled $333,000 of which $40,000 was in the form of dividends to policyholders.

Officers—

J. J. Lyons, pres.; A. E. Corrigan, vice-pres. and mgr.; L. N. Poulin, vice-pres.; E. M. McNiece, sec.; C. B. Cullinan, actuary.

Directors—

Representing Shareholders:
J. J. Lyons, A. E. Corrigan, W. H. McAuliffe, Col. L. T. Martin, all of Ottawa; R. P. Gough, Toronto; E. W. Tobin, Bromptonville.

Representing Policyholders:
L. N. Poulin, Col. D. R. Street, Ottawa; Gordon Grant, Toronto; Dr. N. A. Dussault, Quebec.

Classes of Business Written—Ordinary (participating and non-par. business).

Capital—Authorized	$1,000,000
Subscribed	809,900
Paid-up	136,060

Growth of Business

Year	Assets ($ 000)	Business in force ($ 000)	New Ins. paid for ($ 000)
1927	2,179	14,474	2,952
1928	2,502	16,778	3,432
1929	2,663	19,477	4,214
1930	2,788	20,682	2,809
1931	2,818	20,145	2,502

Building Public Confidence
for over 43 Years

UNIMPAIRED PROGRESS
PUBLIC SERVICE
SOUND INVESTING
ECONOMICAL ADMINISTRATION

For over forty-three years the Dominion Life Assurance Company has enjoyed consistent prosperity, and steady, sound growth.

In the forty-third Annual Statement the management was able to show a splendid record of satisfactory progress and unimpaired strength.

Assets	Insurance in Force
$25,470,427	Over $150,000,000

Excess of Income Over Disbursements
$1,491,919

Rate of Interest Earned on
Investments - 1931
6.24%

FORD S. KUMPF, Waterloo, President.
EDWARD F. SEAGRAM, Waterloo, Vice-President.
GEO. D. FORBES, Hespeler, Vice-President.
GEO. A. DOBBIE, Galt, Vice-President.

THE DOMINION LIFE ASSURANCE COMPANY
HEAD OFFICE - - WATERLOO, ONTARIO

LONDON & SCOTTISH HAS LONG RECORD

As one of the Northern group of companies, London & Scottish Assurance Corp. has been doing business in Canada through its life branch since 1863 although it was not licensed to transact fire and casualty business until 1925.

Total business in force at the end of 1930 which is the last year for which complete figures are available, was $17,900,000 which compares with $18,998,000 in force in the peak year of 1928. In the past four years it has paid for an average of about $1,200,000 of new business annually, the 1930 figure being $1,216,000.

The company's chief agent in Canada is Alex. Bissett.

Head Office—London, Eng.

Head Office in Canada—Montreal, P.Q.

Classes Written in Canada—Ordinary only, Par. and non-par.

Growth of Business in Canada

Year	Assets ($ 000)	Business in force ($ 000)	New Ins. paid for ($ 000)
1927	9,393	18,983	1,044
1928	9,599	18,998	1,483
1929	9,689	18,250	1,092
1930	10,189	17,905	1,216

Government BOND
First MORTGAGE
REAL ESTATE
MUNICIPAL DEBENTURE

SECURITY
STABILITY
For 60 Years
Confederation Life
Association

Has been building upon the solid foundation of Security and Stability, which is the basis of financial Confidence. The high grade of Securities in which its funds are invested, as at 31st December, 1931, is shown in the following schedule:

		Percentage of Total Invested Assets
Bonds and Debentures:		
Government and Municipal	32.36%	
Other	19.64%	
		52.00%
Mortgages:		
City and Town	15.25%	
Farm	2.47%	
		17.72%
Policy Loans—Ordinary Premiums		15.77%
" " —Single Premiums		5.49%
Real Estate		4.22%
Common Stocks		2.49%
Preferred Stocks		1.79%
Sundries		.52%
		100.00%

TOTAL ASSETS
$88,490,249

SURPLUS AVAILABLE FOR FUTURE DISTRIBUTION
$8,649,245

Full provision has been made for depreciation in Security values, as determined by the Dominion Government Insurance Department.

A list of the Association's Bonds, Stocks and Debentures will be mailed, upon request, to your address.

Confederation Life
Association
Head Office Toronto, Canada
C. S. Macdonald, President
V. R. Smith, General Manager & Actuary

Current Events in Banking World

BANK DEPOSITORS PLAY MAJOR PART IN AIDING INDUSTRY

Current Loans Equal to 80 p. c. of Savings Deposits

75 P. C. IN 1927

Analysis of Bank Statement Reveals Relationship of Capital, Deposits and Loans

By C. PAYELL

The manner in which the thrift of the Canadian people helps along industry and benefits the country generally is shown clearly by the fact that no less than 79 per cent of savings deposits with the ten Canadian banks at December 31 last, were invested in current loans in the Dominion.

One of the most remarkable things revealed by analysis of bank statements is the small change that has occurred, despite prevailing conditions, in the total of savings deposits and loans in Canada since the end of 1927. Then, savings deposits in Canada amounted to $1,445,000,000 and of that sum $1,083,000,000 or 75 per cent of the Canadian people's savings were invested in current loans in Canada. At the end of 1931 the figures were $1,360,000,000, $1,081,000,000, and 79 per cent respectively.

Figures For Three Banks

The three largest banks hold savings deposits in Canada amounting to $917,000,000 or 67 per cent of the total for all banks, while the same trio have $733,000,000 outstanding in current loans in Canada forming 67 per cent of the total. These figures also show very little change from four years ago.

Capital and reserves of the three banks represent 66 per cent of the total for all banks, and it is interesting to note how closely related are capital, deposits and loans.

Comparison of the figures and proportions of these items may be made from the tables which follow:

Capital and Reserves

	Capital & reserve	Percentage of total
1. Montreal	$74,000,000	24
2. Royal	70,000,000	22
3. Commerce	60,000,000	20
4. Nova Scotia	36,000,000	12
5. Dominion	16,000,000	5
6. Imperial	15,000,000	5
7. Toronto	15,000,000	5
8. Nationale	14,000,000	5
9. Provinciale	5,000,000	2
10. Barclays	1,000,000	.
	$306,000,000	100

Total liabilities to the public equal 89 per cent of the total assets, the balance of 11 per cent or $360,000,000 represented by capital and reserves belonging to shareholders. In other words, underlying every $89 owing to the public are bank assets amounting to $100. These percentages vary little from year to year, being now practically the same as they were twenty years ago.

Deposits Loom Large

Savings deposits are the backbone of the Canadian banking system representing 50 per cent of the total liabilities to the public. Interest at the rate of 3 per cent per annum is allowed on these deposits. This is equivalent to total annual interest payments of approximately $40,000,000. Legally speaking, such deposits are subject to withdrawal notice of seven days but as a matter of fact they are invariably paid on demand. A cut of 1 per cent in the rate of interest would obviously represent a saving of about $13,000,000 a year, being almost equal to the payment of a 10 per cent dividend on the total capital stock of all the banks.

Demand deposits are at the credit of checking accounts and are payable on demand, the bulk of deposits being free of interest charges. They assist the banks in carrying the burden of non-revenue producing assets.

Analysis of deposits by banks is as follows:

Savings and Demand Deposits in Canada

	Savings deposits (million $)	% of total	Demand deposits (million $)	% of total
Montreal	379	28	148	26
Commerce	274	20	122	21
Royal	264	19	153	27
Nova Scotia	125	9	34	6
Nationale	85	6	19	3
Imperial	70	5	28	5
Toronto	65	5	26	5
Dominion	64	5	31	5
Provinciale	33	2	5	1
Barclays	1	.	1	.
	1,360	100	567	100

Current Loans

Current loans are the largest individual item on the asset side of the statement, forming 36 per cent of the total. They consist largely of trade bills, loans secured by security receipts for produce, advances against warehouse receipts for goods, overdrafts, accommodation notes and other advances made against collateral security of various kinds.

Current Loans in Canada

	Current loans	Percentage of total of all banks
Royal	$275,000,000	25
Montreal	254,000,000	23
Commerce	204,000,000	19
Nova Scotia	95,000,000	9
Imperial	63,000,000	6
Nationale	62,000,000	6
Dominion	57,000,000	5
Toronto	51,000,000	5
Provinciale	18,000,000	2
Barclays	2,000,000	.
	$1,081,000,000	100

The amount of each bank's combined demand and savings deposits and the proportion thereof outstanding in current loans in Canada will be readily seen from the following table:

Deposits and Loans in Canada

	Savings and dem. deposits	Deposits to curr. loans
Montreal	$527,000,000	48%
Royal	417,000,000	65
Commerce	395,000,000	51
Nova Scotia	159,000,000	59
Nationale	104,000,000	59
Imperial	98,000,000	64
Dominion	94,000,000	60
Toronto	91,000,000	56
Provinciale	38,000,000	47
	$1,923,000,000	56%

Deposits & Current Loans Abroad

	Deposits	Current loans	Deposits to curr. loans
Royal	$158,000,000	$127,000,000	67%
Montreal	70,000,000	24,000,000	13
Commerce	46,000,000	21,000,000	11
N. Scotia	32,000,000	15,000,000	8
Dominion	2,000,000	2,000,000	1
Nationale	1,000,000	....	.
	$309,000,000	$189,000,000	

Adding to current loans abroad, call loans abroad of $83,000,000 give a total of $272,000,000, this figure being $37,000,000 under the total of deposits held outside Canada. In other words, foreign branches stand on their own feet and are self-supporting.

One of the most noteworthy changes since 1927 is in the call loan figures which have dropped from $531,000,000 to $216,000,000 representing a reduction of 59 per cent. The Bank of Montreal alone reduced its figure by $157,000,000, or by 84 per cent, accounting for about half the total reduction. Criticism, always unfair, that the banks make call loans in New York at the expense of Canadian borrowers, is less justifiable than ever, the total of $83,000,000 under the heading of "call loans elsewhere" representing less than 5 per cent of the total demand and savings deposits in Canada.

Exchange Trader Starts Day At 7 a.m.

Inside of Bank's Trading Room and Modus Operandi Graphically Described For Layman By Expert

By R. E. KNIGHT
Manager, Foreign Exchange Department, Bank of Montreal
Part II of address given before Canadian Credit Men's Trust Association, Montreal

Let us visualize the trading room of a large bank or broker. There will be perhaps a dozen men sitting on either side of what appears to be a long table, with little lights flashing all over it. This is really a multiple telephone board, so arranged that when a call comes in, a light appears at each post, and when the call is answered, the lights change, so that the other men are aware that the call has been answered, and the line is engaged.

Each trader has his special sphere of operations. One man may handle nothing else but Dutch guilders; he knows which of his clients are particularly interested in guilders, and which of the exchange brokers are active in this exchange, as the brokers also specialize. He will also know what firms in Holland are most satisfactory to do business with.

The traders merely execute orders given them by clients or the manager of the department, and do not take any position "long" or "short" without the sanction or instructions of their immediate chief.

Exchange Man's Job

The men dealing in United States dollars will be in constant touch with New York by telephone and cable, using for their cables the special rush service, by which they can exchange messages almost instantaneously. They will also be in touch with other banks in London, and the brokers. They will be trading on behalf of their clients, and at the same time taking outside trades, where a profit can be made. In addition to watching the rates, they always keep in mind the credit factor, having their credit lines to follow just like the credit department of a commercial house, which they have to be particularly careful not to exceed at the present time.

There is not much credit risk in cable transfers, because the payments at the two points are practically simultaneous, but in purchasing demand exchange, there is the risk from the time of sailing until the item is paid abroad. Time bills are, of course, a risk until they mature.

Clear Head Essential

The traders in the same room keep in close touch with each other, so that they can seize any opportunity to arbitrage with profit. For example, the trader handling Swiss francs may have difficulty at the moment in getting bids in London, or offers of sterling in Zurich, but, the trader in United States dollars may be aware that there are buyers of Swiss francs in New York, and it may be advantageous to sell the Swiss francs there and bring the resultant United States dollars to London. The quotations in this case will be something like this:

In London—17.65 Swiss francs for £1.
In New York—19.50 cents per Swiss franc.
In New York—$3.44 per £1.

The trader must be able to reduce these to a common denominator almost at a glance, in order to estimate the result and carry out the operations simultaneously.

The market rates quoted are those for cable transfers, unless otherwise specified, and rates for cheques and time bills are obtained by including all allowance for interest from the date of purchase until the date of anticipated payment, and stamps exigible at the point of payment. The rate of interest applied is that prevailing where payment is to be made because that is where the bill would be discounted.

Roundabout Transactions

The market for Canadian dollars in London is quite limited, and usually when remittances of large amounts are involved, transactions are carried out by first buying New York dollars in London and selling United States dollars in Canada, or purchasing Canadian dollars in New York.

New York will use as the basis of its opening quotations equivalents of the rates prevailing in London, and from 10 a.m., which is equivalent to 3 p.m. London time, the two markets are kept in close accord by the constant exchange of cables. It is quite a common occurrence for the British and French governments to place large orders for sterling or francs for execution in the New York market, and it is fairly general knowledge that the Bank of France has been using the New York market extensively in withdrawing its London balances of some £60,000,000. This is being done by selling sterling in New York, and with the resultant dollars buying francs, or, if the francs are not available, shipping gold from New York to Paris.

On the other hand, the American banks often go to the London market for their requirements, and from, say, 10 a.m. until 12 a.m. there is a constant exchange of business between the three markets, London, New York and Paris.

Forward Exchange

When the various currencies were on a gold basis, merchants and manufacturers were free to enter into forward commitments abroad and set their prices ahead without seriously taking into consideration the exchange factor. Fluctuations in exchange are now so violent that they may not only wipe out any profit in forward commitments, but actually involve ruinous losses To overcome this state of affairs, a protective system of forward exchange has been evolved, known in this country as "futures."

A "future" is an obligation without consideration under which persons contract with each other to receive and deliver at a stated price, certain commodities or foreign exchange at a determinable future time, not necessarily a fixed date. It is in no sense an option, because while the seller is under obligation to deliver, the buyer is also under obligation to receive. A collateral pledge may be required from either or both parties one to the other, as a guarantee of fulfillment.

Millers use extensively both wheat futures and foreign exchange futures in connection with their sales of flour. In the first place, having purchased a stock of wheat for milling purposes, the miller may hedge it by selling wheat futures, which he will buy back from time to time to cover his sales of flour. In the second place, if the flour is sold for delivery at a future date at a sterling price, the miller may, when the sale is closed cover the exchange risk by selling sterling for delivery simultaneously with the flour. He thus provides for all price fluctuation contingencies, except the variation in the price relation between flour and wheat, which is governed by the cost of manufacture and the value of the by-products. Most of the Canadian banks will consider application for futures for legitimate commercial requirements.

The above article will be completed in a subsequent issue of The Financial Post.

CURRENCY NOTES TO BE SMALLER

Reduction to Size of U. S. Bills Agreed Upon for Next Year

From Our Own Correspondent

OTTAWA.—The government, in co-operation with the chartered banks, has practically decided to reduce the size of Canadian currency.

Within the next year, Canadian Dominion and bank notes almost certainly will be reduced to the present dimensions of the United States' currency. The change has been under consideration for some weeks, and both government and the banks are agreed that it is desirable.

While it is not thought necessary, for practical purposes, to have the government and the banks issue new and smaller currency simultaneously, it is believed that less confusion will occur if this is done, and the change therefore, will be delayed until both note issuing agencies are ready.

In the United States, the change from the large to the small bills was accomplished in a matter of three months. It is believed that a longer period will be necessary in Canada. Certainly some time must elapse before anything can be done. The Dominion has on hand a large amount of new currency, which has never been put into circulation, and this will have to be used up before the change is made.

Everything considered action is not likely to be taken until the spring of 1933.

Normal Activity Resumed By Two Norwegian Banks

Normal activity has been resumed by the Norwegian banks, the "Bergens Privatbank" and "Den Norske Creditbank" as from March 15, the Bank of Norway having (in accordance with a decision of the Storting) provided the two banks with the necessary funds, thus restoring their liquid position.

It is officially stated that the Norwegian banks have little or no interest in the Kreuger companies and that events in Sweden have little direct importance as regard Norway. The Oslo stock exchange has remained unaffected.

Bank Chat

The Canadian Bank of Commerce announces the following:

H. J. STUBBS, formerly manager at Valleyfield, Que., has been appointed manager at Rosemount, Montreal, P.Q.

The Rosedale, Alta. sub-agency of the bank, attached to the Drumheller, Alta., branch (Canadian Bank of Commerce) will be closed on March 24.

R. L. DANIELS, formerly manager of the Petrolia branch of the Bank of Toronto has been transferred to Wallaceburg, Ont.

F. A. MAPLES, formerly of the Meaford branch of the Bank of Toronto has been transferred to Petrolia, Ont.

The Imperial Bank of Canada announces the following changes in staff appointments:

J. W. WILLIS, formerly manager, Bloor and Lansdowne branch, Toronto, has been appointed manager, Port Arthur, Ont.

C. G. T. HARCOURT, formerly manager, Port Arthur, Ont., has been appointed manager, Hastings and Abbott Streets branch, Vancouver, B.C.

W. R. RODGER, formerly manager, Schomberg, Ont., has been appointed manager, Essex, Ont.

H. M. McKENZIE, formerly manager, Essex, Ont., has been appointed manager, Aurora, Ont.

R. R. BROWN, formerly manager, Aurora, Ont., has been appointed manager, Bloor and Lansdowne branch, Toronto.

J. S. INK, formerly accountant at Niagara Falls, has been appointed accountant at Welland, Ont.

A. C. KING, formerly accountant at Welland, Ont., has been appointed accountant at Port Colborne, Ont.

A. E. MacGIRR, formerly accountant at Port Colborne, has been appointed accountant at Niagara Falls, Ont.

R. B. YULE has been appointed accountant at the Kingston, Jamaica, branch of **The Bank of Nova Scotia.**

Enlarge Kingston Textile Plant

Hield Brothers, of Kingston, are importing fourteen looms to install in their plant as a means of increasing production. Additional workers will be engaged.

Canadian Banks Closed 24 Branches, February

Canadian chartered banks had 3,946 branches operating in Canada as at February 29, in addition to which there were 26 in Newfoundland and 151 elsewhere, giving a total of 4,123.

There were 17 branches and 7 sub-branches closed during the month, 12 being in Quebec, three each in Ontario, Saskatchewan and British Columbia, one in Alberta and 2 in Cuba. The standing, by provinces, as at the end of February, was as follows:

Chartered Bank Branches at Feb. 29, 1932

Ontario	1,396	Sask.	392
Quebec	1,162	Alberta	275
Nova Scotia	138	B. C.	228
N. Brunswick	101	Man.	222
P. E. I.	28	Yukon	4

Weekly Bank Clearings

Eastern Cities	Mar. 19, 1931	Mar. 17, 1932
Halifax	$ 2,739,134	$ 2,153,124
Saint John	2,082,277	1,795,342
Moncton	610,792	595,189
Sherbrooke	650,899	589,803
Quebec	4,875,184	3,661,539
Montreal	111,603,891	72,056,618
Peterboro'	780,799	532,449
Toronto	104,194,621	71,056,046
Hamilton	4,267,621	3,981,264
Kitchener	997,673	773,565
Brantford	878,246	739,303
London	2,474,684	2,516,506
Chatham	554,918	377,004
Windsor	3,161,393	2,254,703
Sarnia	525,678	346,122
Sudbury	660,003	460,449
Ottawa	6,751,614	4,916,909
Kingston	552,296	448,901
Western Cities	**Mar. 19, 1931**	**Mar. 17, 1932**
Fort William	$ 616,017	$ 551,737
Winnipeg	31,293,776	30,233,299
Brandon	380,463	321,265
Moose Jaw	705,123	493,045
Regina	3,251,386	2,633,140
Saskatoon	1,636,271	1,204,546
Prince Albert	341,453	260,466
Edmonton	3,860,091	3,842,729
Calgary	5,380,539	5,043,614
Medicine Hat	227,979	172,399
Lethbridge	350,867	335,591
New Westminster	522,196	451,167
Vancouver	15,587,445	11,380,666
Victoria	1,844,581	1,536,483

Canadian Pulp and Paper Industry

EXEMPTION GIVEN TO CHICOUTIMI PULP PRODUCER

May Foreshadow Reopening of Quebec Pulp and Paper Corp.

From Our Own Correspondent

MONTREAL.—Possible re-opening of the Chicoutimi mill of Quebec Pulp and Paper Corp. is seen in recent exemptions granted by Premier Taschereau, following an interview with a delegation from the Chicoutimi and district. Exemption of a water tax of 85 cents a ton of pulp produced for a period of five years and temporary suspension of tax arrears the amount of $300,000 in favor of the Chicoutimi Pulp Co. was agreed to by the premier.

This gesture on the part of the Government is indicative of an effort to provide work for some 2,000 unemployed. Whether a market for output can be secured has not been disclosed; pulp producers at the moment are obtaining but a narrow margin of profit on their output in face of keen competition.

Mills of Quebec Pulp and Paper Corp. have been closed for over a year. The two plants at Chicoutimi were shut down in October, 1930, and the Val Jalbert was closed down and dismantled in September, 1929.

The action followed several years of unsatisfactory operation. In 1930, the latest figures available, there was an operating loss of $46,059 and income account showed a total operating deficit of $945,664.

Seek Civic Support to Reopen Nashwaak

From Our Own Correspondent

MONTREAL.—A committee of citizens of Saint John, formed to promote the re-opening of the Nashwaak Pulp and Paper Co. plant, closed since October, 1930, reports that United States and Canadian capital is willing to operate the plant at capacity if financial backing is given by the city. If the city would not support the project, the committee states that outside interests might be prepared to go ahead if private local financial support were assured.

It is stated that Mayor White has expressed doubt whether it would be good civic financing for the city to provide any financial assurance or guaranteed bonds, and he doubted if the legislature would approve any such action. The committee is of the opinion that it would be possible for the plant to be operated on a paying basis.

Nashwaak Pulp and Paper Co. is a subsidiary of the Oxford Paper Co. of the United States. The plant has a productive capacity of about 85 tons of sulphite pulp daily.

Westminster Paper Operates on Full Time

From Our Own Correspondent

MONTREAL.—Demand from the domestic market is stated to be keeping the plant of Westminster Paper Co. working on full time, though export business is quiet. In the past, the company has experienced a period of two or three weeks slack time at this period of the year, but with the exception of a three days curtailment on account of mechanical troubles, the plant has been operating at capacity without a shut-down.

Gould's Pump Pass Preferred Payment

From Our Own Correspondent

MONTREAL.—The dividend payments of preferred shares of Gould's Pumps, ordinarily payable April 1, has been passed. The shares are listed on the Montreal Stock Exchange, but seldom make their appearance in trading.

N. J. Gould, president of Gould's Pumps, Inc., in a letter to stockholders, in connection with the omission of the preferred dividend, points out that the action was taken to assist in maintaining the strong cash position of the company, and is not to be construed as indicative of unfavorable financial developments. The company is in a satisfactorily liquid condition and it is expected that with an upward trend of business in 1932, dividends on the preferred stock at the regular rate will be justified and such disbursements resumed, Mr. Gould states.

Manufacturers Enlarge Plants

Nine Winnipeg manufacturers enlarged their plants last year; 17 increased their equipment, and 27 added new lines, according to the February report of the Western Canada News Bulletin.

Newsprint Output Down; Stocks at Mills Soar

February Production Reported on Lower Scale—Mill Stocks at Highest Figure Yet Recorded

From Our Own Correspondent

MONTREAL. — Production of newsprint in Canada in February showed a decline and mill stocks continued to soar according to figures released by the Newsprint Service Bureau. A feature of the report is the fact that Canadian and United States mill stocks at the end of February were at a new high point.

Canadian production totalled 158,543 tons in February compared with 164,552 tons in the same month a year ago and 171,321 tons in January. Shipments were 150,951 tons and mill stocks at the end of the month had reached the large total of 61,195 tons. At the end of January mill stocks were 53,683 tons.

Two Month Output Drops

For the first two months of the current year production was 329,864 tons a drop from 351,021 tons reported in the same period of 1931 a drop of 6 per cent. An indication of the lower demand for newsprint is seen in the fact that not since 1928, when production for the first two months was 376,546 tons, has production in January and February fallen to the level reported this year.

As regards mill stocks, Canadian stocks were higher by 7,512 tons at the end of February at 61,195 tons. American stocks were only marginally higher at 32,925 tons but combined figures show total mill stocks in the United States and Canada at the end of February at 94,120 tons. This compares with 92,250 tons reported in August, 1928, the highest figure prior to the present showing.

United States Output Lower

United States production of newsprint in February showed a drop of 1,631 tons at 87,157 tons compared with the same month in 1931 and 94,247 tons in January, 1932. Shipments were 86,638 tons and mill stocks were only higher by 519 tons at 32,925 tons. For the first two months of the current year United States mills produced 181,404 tons of newsprint. This compares with 189,828 in the same period in the previous year or a drop of 4 per cent but not since before 1920 has American production fallen to its present level in the first two months of the year.

Total Production Discouraging

Total American and Canadian production for the first two months of 1932 was 511,268 tons, the lowest figure to be recorded for that period since 1925.

The same may be said for total North American production in January and February. In those two months this year output was 558,469 tons of newsprint and one has to go back to 1925 to find a lower figure.

Newfoundland production showed a slight falling off from its recent high levels. In February it produced 20,931 tons of newsprint against 23,073 tons in the same month in the previous year and 23,991 in January, 1932. In the first two months Newfoundland production was off 6 per cent from 1931.

Though the Newsprint Service Bureau no longer includes figures on the operating ratio of the various mills, The Financial Post has worked out the ratio for February, Canadian mills operated at 51.2 per cent of capacity compared with 53.2 per cent in January and 55.4 per cent in February, 1931. American mills' activity was conducted at 60.7 per cent of capacity in February, 1932. This compares with 65.4 per cent in the same month last year and 65.7 per cent in January, 1932.

ROBERT MITCHELL DEFERS DIVIDENDS

Wait Until Business Outlook Grows Clearer, Say Directors

From Our Own Correspondent

MONTREAL.—Pending some clarification of the business atmosphere, directors of Robert Mitchell Co. have decided to defer dividend action on the company's capital stock, of which there are 70,000 shares outstanding. Dividends have been paid at the rate of $1 a share since October 15, 1929.

Sales and unfilled orders on the company's books last year showed a steady decline which, coupled with a further retrenchment in the copper market, found reflection in earnings. Net earnings in 1931 totalled $130,981 compared with $211,465 in the previous year and were equal to 87 cents a share on the common stock against earnings of $2.05 a share in 1930.

Total deficit for the year was $19,209. A balance of $628,427 was brought forward into the current period. Common shares are the only securities outstanding.

B. C. Fish Plants Pay Treasury

According to the latest official record British Columbia has 35 salmon canneries, 35 dry-salteries, nine pilchard reduction plants, 19 herring dry-salteries and one pilchard cannery, which last year contributed $74,940 to the provincial treasury in license fees.

NEW SULPHITE MILL TALKED OF IN B. C.

Construction Will Start Within Six Months, Declares Promoter

From Our Own Correspondent

VANCOUVER.—Establishment of a 200-ton sulphite pulp mill at Prince Rupert is contemplated by a group of United States capitalists, according to F. L. Buckley, for many years interested in logging and sawmill operations in northern British Columbia.

Mr. Buckley said that his supporters were from New York, Minneapolis and New Orleans. He added that a site had already been selected at Seal Cove and that organization work would commence immediately, after which construction would be started.

The proposed mill will manufacture high grade sulphite and will use approximately 700,000 feet of logs daily.

"Construction will probably be under way within six months, so that production should be expected in eighteen months, if not sooner," said Mr. Buckley, who recently outlined his plan to the Prince Rupert board of trade and received that organization's support in going ahead with the programme.

Pulp mills already established in British Columbia have been active in recent months, although operating considerably below normal capacity. B. C. Pulp & Paper Company operates two mills, one at Woodfibre and another at Port Alice.

Disturbances in the Far East have interfered to some extent with transpacific pulp trade, but the dislocation is not expected to be prolonged.

"Our chief handicap at the present time is the fluctuation in exchange," said Lawrence V. Killam, president of the B. C. Pulp & Paper Company.

Picardy Candy Expands Chain

The Picardy Candy Company Limited, which started in Winnipeg in 1921, is celebrating its 11th anniversary this year. The company has progressed rapidly and now has in Winnipeg a factory and eleven retail stores—also six stores further west in Regina, Saskatoon, Calgary and Edmonton. Some 325 hands are employed.

New Industry for Winnipeg

Sun Lime Products Co., manufacturers of poultry grit, is one of Winnipeg's newest industries. Crushed Manitoba limestone and oyster shells brought from the Gulf of Mexico, are its chief raw materials. Twenty men will be employed.

GOLDEN ANNIVERSARY
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1882 - 1932

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EDITORIAL INDEX
Chapter I .... Canadian Mining
General review of 1930 production with statistical tables of growth of Canadian mining output, metal prices and list of companies producing .... Pages 29-31
Chapter II .... Alberta
Review of developments .... Page 37
Reviews of Alberta companies 37-39
Production statistics 37
Chapter III .... British Columbia
Review of developments .... Page 41
Reviews of British Columbia companies 43
Production statistics 41
Chapter IV .... Manitoba
Review of developments .... Page 75
Reviews of Manitoba companies 76-81
Production statistics 75
Chapter V .... New Brunswick
Review of developments .... Page 83
Reviews of New Brunswick companies 83
Production statistics 83
Chapter VI .... Nova Scotia
Review of developments .... Page 85
Reviews of Nova Scotia companies 86-89
Production statistics 85
Chapter VII .... Ontario
Review of developments .... Pages 91-92
Reviews of Ontario companies 93-143
Production statistics 91
Chapter VIII .... Quebec
Review of developments .... Page 145
Reviews of Quebec companies 146-159
Production statistics 145
Chapter IX .... Saskatchewan
Review of developments .... Page 160
Reviews of Saskatchewan companies 160
Production statistics 160
Chapter X .... Yukon and Northwest Territories
Review of developments .... Page 161
Reviews of Yukon and Northwest Territories companies 161-162
Chapter XI .... Outside Companies
Reviews of outside companies .... Pages 163-167
Chapter XII .... Newfoundland
Review of developments .... Page 169
Reviews of Newfoundland companies and properties 170-174
Chapter XIII .... New Incorporations
Companies recently obtaining charters .... Page 175
Chapter XIV .... Directory
List of mining engineers, mine managers and geologists .... Pages 177-189
Advertisers' Index 191

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ATLANTIC SUGAR REFINERIES
LIMITED

Sixteenth Annual Report

FOR THE FISCAL YEAR ENDED 31st DECEMBER, 1931

BOARD OF DIRECTORS
F. R. GRAHAM, Chairman of the Board
LEWIS J. SEIDENSTICKER, President P. R. GARDINER, Vice-President
MARK J. SAVAGE, Vice-Pres. & Treas. SALTER A. HAYDEN, Secretary
J. C. H. DUSSAULT, K.C. J. F. VAN-LANE
E. S. JOHNSTON, Asst.-Treas. & Asst.-Sec.

To the Shareholders:

Your Directors submit the Sixteenth Annual Report of the business of the Company for the fiscal year ended Dec. 31st, 1931.

A Statement of Assets and Liabilities as at December 31st, 1931, together with Profit and Loss Account for the period and your Auditors' certificate, is appended. Your Directors consider it advisable that the Balance Sheet be simplified and the Statement of Assets and Liabilities expresses the results of such simplification. It is to be noted that the Plant has been written down by $1,061,184.94 through reversing the amount by which the Plant was increased by the Appraisal of 1920. The item Goodwill is written off. The Common Stock of No Par Value is now so shown.

Operations for the year produced earnings of $1,089,615.49 after provision for Income Tax. Out of these earnings the following charges have been provided for—

Bond Interest.......	$184,994.84
Depreciation of Plant and Franchises....	384,903.69
Reserve for Bad Debts	50,000.00
Special Reserve......	100,000.00

leaving a balance of $369,716.96, to which is added profit from other sources amounting to $21,500.00, making a total of $391,216.96. The Special Reserve of $100,000.00 has been set aside against cost of providing external funds for Bond Interest and retirement of Bonds. Economic conditions dictate this prudent measure.

The Refinery Plant has been maintained in a high state of efficiency. Expenditures for repairs and maintenance amounted to $39,320.28 and were charged against operations. The sum of $13,823.42 has been spent on Betterments and added to Plant Account.

Respectfully submitted on behalf of the Directors.

LEWIS J. SEIDENSTICKER,
President.

Montreal, March 18th, 1932.

BALANCE SHEET as at DECEMBER 31st, 1931

ASSETS

FIXED			
Lands, Buildings, Wharves, Plant, Equipment, Franchises and Leases		$5,537,130.44	
Less—Reserves		3,343,601.53	
			$2,193,528.91
CURRENT			
Cash in Banks and on hand	$ 28,200.90		
Interest bearing Deposits with Banks and Trust Companies	675,000.00		
Call Loans, secured by Canadian Government Bonds	500,000.00		
Accounts and Bills Receivable—Less Reserves	211,428.44		
Inventories	710,418.46		
Prepaid, Taxes, Insurance, etc.	3,960.73		
		2,129,008.53	
INVESTMENTS			
Including Serial Gold Bonds and General Mortgage Sinking Fund Gold Bonds of the Company purchased		1,820,673.97	
			3,949,682.50
			$6,143,211.41

LIABILITIES

FUNDED DEBT			
First Mortgage 6% Serial Gold Bonds (Issue closed)	$1,570,000.00		
Less—Redeemed	1,500,000.00		
		$ 70,000.00	
General Mortgage 5% Sinking Fund Gold Bonds due April 1st, 1941	$3,926,246.67		
Less—Redeemed	375,000.00		
		3,551,246.67	
			$3,621,246.67
ACCOUNTS PAYABLE AND ACCRUED CHARGES			220,913.23
RESERVE against cost of providing external funds for Bond Interest and retirement of Bonds			100,000.00
PREFERRED STOCK represented by 11,111 7% Cumulative Con. Pref. Shares of $100 each, out of an Authorized Issue of 16,111 Shares			1,111,100.00
COMMON STOCK AND SURPLUS represented by 78,889 Common Shares of No Par Value authorized and issued, but subject to arrears of Dividend on Cumulative Preferred Stock			1,089,951.51
			$6,143,211.41

Approved on behalf of the Board,

F. R. GRAHAM,
Director.
LEWIS J. SEIDENSTICKER,
Director.

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st DECEMBER 1931

Surplus as at 31st December 1930			$1,159,408.37
Less—Charges applicable to previous years, and net amount required to adjust Plant and Plant Reserves, and to adjust the Value of the Common Stock to the resulting Surplus after writing off Goodwill			460,673.82
Adjusted Surplus as at 31st December 1930			$698,734.55
Profit for the Year, less provision for Income Tax 1931, but before providing for the undernoted charges		$1,089,615.49	
Bond Interest	$184,994.84		
Depreciation on Plant and Franchises	384,903.69		
Reserve for Bad Debts	50,000.00		
Reserve against cost of providing external funds for Bond Interest and retirement of Bonds	100,000.00		
		719,898.53	
		$369,716.96	
Discount on Bonds redeemed through Sinking Fund		21,500.00	
			391,216.96
Surplus represented by 78,889 Common Shares of No Par Value authorized and issued, but subject to arrears of Dividend on Cumulative Preferred Stock			$1,089,951.51

AUDITORS' CERTIFICATE

We have examined the Accounts of The Atlantic Sugar Refineries Limited for the Year ended 31st December, 1931, and have obtained all the information and explanations required by us. The Inventories of Stock on hand as certified to by responsible Officials of the Company have been valued on a conservative basis, and the Open Accounts are, in our opinion, sufficiently covered against probable losses. Effect has been given to adjustments of Plant and Plant Reserves and to the adjustment in the value of the Common Stock and to the writing off of Goodwill as authorized.

We hereby certify that the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us and as shown by the Books of the Company.

(Signed) MACINTOSH, COLE & TOBERTSON,
Chartered Accountants.

Montreal, 8th March, 1932.

Bank Branches Exceed 4,000

There are 10 chartered banks in Canada with over 4,000 branches of which 179 are in other countries, mainly in Newfoundland, the West Indies, Central and South America and also in the great centres of international finance, London, Paris and New York. The assets of Canadian banks are placed at $3,045,000,000.

PENMANS LIMITED
General Offices: Paris, Ontario
Manufacturers of High-Grade
KNITTED UNDERWEAR, HOSIERY, and OUTERWEAR
Mills at: Paris, Brantford, London, Waterford, Ontario; Coaticook and St. Hyacinthe, Quebec

Selling Agents to the Wholesale Trade: John Gordon & Sons, Limited, Montreal and Toronto.
Selling Agents to the Retail Trade: Bryce Sales Limited, Calgary, Winnipeg, and Vancouver.
Sales Offices: Montreal, Quebec, Toronto, Ottawa, London, Hamilton, Halifax, Saint John, N.B.
Export Representatives: Great Britain and Ireland: Liddell & Mitchell, Glasgow, Scotland. Taylor & Shelmerdine, Manchester, England. W. J. Cutcliffe, London, England. A. Lowry, Belfast, Ireland.
Australia: Hugh Scott-Young, Melbourne, Australia.
New Zealand: H. W. Airey, Ltd., Auckland, Dunedin, Wellington.
South Africa: L. C. Carrick, Johannesburg.
Newfoundland: S. Elliott & Co., St. John's.
British West Indies: Wilson & Johnstone, Ltd., Port-of-Spain, Trinidad. L. W. Huddle, Kingston, Jamaica.
China, Hongkong & Japan: Horn & Nobbins, Shanghai, China.
British Malaya. T. B. Rogers & Co., Ltd., Singapore, Straits Settlements.
Peru: M. E. Biber, Lima.
Argentine: E. L. Clough, Buenos Aires.
India: H. Maddison, Calcutta.

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Markets

WEEK ENDING MARCH 21

Range 1932 High	Range 1932 Low	Divd. Rate in $	Yield in % Mar. 19		Sales	Close Mar. 14 (or last)	Week Ending —Mar. 21— High	Low	Close
3¼	2⅛	.	...	Abitibi	260	2⅜	2⅝	2¼	2⅜
10	6	.	...	Do. pref.	170	9	8¾	8½	8½
x105	80	.	...	Do. pref.	....	80½	..	..	..
80	80	7	8.8	Acme F. D'y. p	....	80	..	..	..
5	4½	.	...	Agnew Surp.	....	5	..	..	..
x88	83	7	8.4	Do. pref.	....	83	..	..	..
7	4	.	...	Alta. Pac. Gr.	35	4⅝	4¾	4	4
25	20	.	...	Do. pref.	10	25	24½	24½	24½
3½	2½	.	...	Amal. Electric	40	3	3½	3½	3½
10¾	9	.	...	Do. pref.	10	10¾	10½	10½	10½
x3½	2½	.	...	Anglo N. Hold.	....	3½	..	..	..
.37	.15	.	...	Asbestos	215	.20	.20	.15	.20
1.00	.60	.	...	Do. pref.	67	.90	.90	.90	.90
6	5	60c	11.7	Assoc. Brew.	40	5	5⅛	5⅛	5⅛
69½	68¼	7	10.1	Do. pref.	....	69½	..	..	..
x10	3	.	...	Assoc. Can.	....	3	..	..	..
x69	65	4+50	..	Assoc. Tel.	....	66	..	..	..
22½	16	.	...	Atlan. Sugar	45	18	22½	19	21
92½	92	.	...	Do. pref.	....	92½	..	..	..
159¾	159¾	10	6.3	Bk. Can. Nat.*	....	159¾	..	..	..
225	215	12	5.6	Bk. Montreal*	....	215	..	..	..
274	267	16	5.9	Bk. N. Scotia*	....	269	..	..	..
193	193	12	6.2	Bk. Toronto*	....	193	..	..	..
x24	8½	.	...	Barcelona	....	15	..	..	..
2½	2½	.	...	Bathurst Pr.	....	2½	..	..	..
1	1	.	...	Do. (B)	....	1	..	..	..
‡26	26	.	...	Bawlf Grain	....	..	..	..	..
x25	20	.	...	Do. pref.	....	20	..	..	..
5	5	.	...	Beath & Sons.	100	..	5	5	5
10	10	1	10	Beatty Bros. A	....	10	..	..	..
60	57	6	10	Do. pref.	....	60	..	..	..
3.50	.95	.	...	Beauharnois	23243	1.00	1.25	.95	1.00
x93	85	7	..	Belding Cort.	....	85	..	..	..
x100	90	7	..	Do. pref.	....	90	..	..	..
x55	10	.	...	Belgo C. P. pf	....	10	..	..	..
120	107½	8	7.3	Bell Telephone	612	110½	110½	109	110
2¾	2	.	...	Biltmore Hats	40	2	2¾	2¾	2¾
x65	45	7	..	Do. pref.	....	45	..	..	..
4	2	.	...	Bissell, T. E.	....	2	..	..	..
‡97	88	.	...	Do. pref.	....	..	..	..	..
8	4	.	...	Blue Ribbon	100	5	4	4	4
25	12	2	13.3	Do. pref.	....	15	..	..	..
20	17¼	2	10	Brant Cd. pf.	415	18	20	18	20
14¾	10⅞	1	7.6	Brazilian Tr.	9366	13⅛	14¼	12⅞	13¼
x¾	¾	.	...	Brew. & Distil.	....	¾	..	..	..
1	⅜	.	...	Brewing Corp.	77	⅜	1	⅜	⅜
3½	2	.	...	Do. pref.	138	2¼	2¾	2¼	2¾
11¼	9⅜	80c	7.5	Brit. Amer. Oil	2715	10⅜	10⅞	10⅜	10½
1½	1	.	...	B.C. Packers	240	1½	1½	1½	1½
6¼	4½	.	...	Do. pref.	....	5	..	..	..
26	21	2	8.2	B.C. Power (A)	160	25	24⅜	24	24⅜
7½	5¾	.	...	Do. (B)	535	6	6	5½	5½
4	4	.	...	Bruck S. Mills.	....	4	..	..	..
20¼	17	2	10.7	Building Prod.	82	19¾	20	18¾	18¾
32	28	3	10.2	Burt, F. N.	30	29	29½	28½	28¾
125	125	6	4.8	Calgary Pr.	12	..	125	125	125
3	2	.	...	Canada Bread	....	3	..	..	..
85	82	7	8.4	Do. pref. (A)	....	83	..	..	..
25	25	2	8	Do. pref. B.	....	25	..	..	..
9	7	1	11.7	Canada Bud	435	8⅝	8⅝	8¼	8¼
7	5½	.	...	Can. Cement	854	6⅞	6⅞	6	6
66	60	6.50	10.7	Do. pref.	107	61	61	60	60
b13½	10	1.20	9.8	Canada Dry	1700	12¼	12⅜	12	12¼
6	5	.	...	Can. Forg. (A)	....	5	..	..	..
2	2	.	...	Do. (B)	140	2	2	2	2
x68	60	3	5	Canada Iron	....	60	..	..	..
x80	75	6	7.5	Do. pref.	....	80	..	..	..
x650	630	20	...	Canada Life	....	630	..	..	..
14¾	11¾	1.50	10.7	Can. Malting	110	14	14½	13½	14
15	15	80c	5.3	Can. Nor. Pr.	....	15	..	..	..
92	85	7	7.6	Do. pref.	10	85	92	88	88
x6	⅝	.	...	Can. Paving	....	⅝	..	..	..
x51	10½	.	...	Do. pref.	....	10½	..	..	..
186	185	12	6.5	Can. Perman.*	....	185	..	..	..
1	½	.	...	Can. Pr. & Pa.	145	½	½	½	½
2	2	.	...	Can. Steamsh's	....	2	..	..	..
9	5	.	...	Do. pref.	70	7	9	7½	9
16	14	1.60	10.1	Can. Vinegars	30	15¾	15¾	15¾	15¾
55	47	4	8.5	Can. W. Cable	220	47	47	47	47
18	12⅝	.	...	Do. (B)	....	13	..	..	..
1½	1½	.	...	Can. Bakeries	....	1½	..	..	..
14	12	.	...	Do. pref.	10	12	12	12	12
191	186	12	6.4	Can. Bk. Com.*	....	186	..	..	..
13½	13	1.25	9.6	Can. Bronze	320	13¼	13¼	13	13
102	102	7	6.9	Do. pref.	....	102	..	..	..
x13¼	8	20c	2.5	Can. Canners*	....	8	..	..	..
80	80	6	7.5	Do. 1st pf.*	....	80	..	..	..
9	9	68c	7.5	Do. 2nd pf.*	....	9	..	..	..
7½	6	1	16	Can. Car & F'y	940	6¼	6½	6	6⅛
16	14¾	1.75	11.7	Do. pref.	135	15½	15½	15	15
6	4½	½	...	Can. Celanese	10	5½	6	6	6
60	52	7	13.1	Do. pref.	55	60	60	53½	60
x58	30	2	6.7	Can. Convert.	....	30	..	..	..
‡50	45	.	...	Can. Cottons	....	..	..	..	..
60	60	6	10	Do. pref.	....	60	..	..	..
17	12	.	...	Can. Dredge	15	16½	15½	15½	15½
x92	92	7	..	Do. pref.	....	92	..	..	..
68	68	6	8.8	Can. Fairb. pf.	....	68	..	..	..
4	3½	.	...	Can. For. Inv.	....	4	..	..	..
x80	70	8	...	Do. pref.	....	77	..	..	..
x300	200	4	2	Can. Gen. Elec.	....	200	..	..	..
59	54	3.50	6.3	Do. pref.	55	56⅞	55½	55½	55½
66	52	6	11.5	Can. Hyd. E. p	10	66	52	52	52
1½	⅞	.	...	Can. Ind. Alc.	1395	1	1	⅞	1
.80	.50	.	...	Do. (B)	115	.75	.60	.60	.60
x5.00	3.95	.	...	Can. Int. I. Tr.	....	3.95	..	..	..
x70	64½	.	...	Do. pref.	....	65	..	..	..
20	20	1	5	Can. Lt. & Pr.	....	20	..	..	..
x18	1	.	...	Can. Locomo.	....	1	..	..	..
x25	5	.	...	Do. pref.	....	5	..	..	..
b1½	⅞	.	...	Can. Marconi	1500	1⅛	1⅛	1	1
13	10	1	8.3	Canadian Oil	85	13	13	12	12
98	98	8	8.2	Do. pref.	....	98	..	..	..
22¼	13½	1.25	7.6	Can. Pacific	21829	17½	19½	15⅝	16¼
x6½	5	.	...	C. Pr. & P. Inv	....	5	..	..	..
2½	2	.	...	Can. Vickers	....	2½	..	..	..
20½	20¼	.	...	Do. pref.	....	20¼	..	..	..
2¾	2	20c	8.9	Can. Wineries	20	2¼	2	2	2
7½	6	1	16.6	Can. Wire Box	....	6	..	..	..
12	9	.	...	Catelli Mac. A	17	9	9	9	9
x5	5	.	...	Do. (B)	....	5	..	..	..
x301	290	12+2	4.7	Cent. Can. L'n*	....	300	..	..	..
2.05	1.44	10c	...	Chem. Research	1270	1.63	.164	1.56	1.56
7.25	6.00	30c(c)	...	Cities Service	....	6.75	..	..	..
6	4½	.	...	Cockshutt Plow	795	5¾	5⅞	5	5
2	2	.	...	Comm. Alcohol	....	2	..	..	..
3¾	1½	.	...	Conduits	25	1½	2	2	2
x94	84	7	...	Do. pref.	....	90	..	..	..
8	5	1	15.7	Cons. Bakeries	330	7½	7	6½	6½
1	½	.	...	Cons. Food Pr.	105	1	½	½	½
x6	3	.	...	Do. (A)	....	3	..	..	..
5	3	.	...	Cons. Indust.	10	4	4	4	4
4	4	.	...	Cons. Paper	....	4	..	..	..
15	15	.	...	Cons. Press	....	15	..	..	..
35	30	7	20	Cons. Sand. pf.	5	30	35	35	35
75	64	2.50†	3.7	Cons. Smelters	1033	70½	70½	66½	67
166	151	10	6.5	Consumers Gas	117	156	157	154	154
‡35	30	.	...	Cooksville Co.	....	..	..	..	..
‡85	85	.	...	Do. pref.	....	..	..	..	..
x20½	15	.	...	Corpor. Steel	....	15	..	..	..
‡90	90	.	...	Corr. P. Box pf	....	..	..	..	..
3¼	2¾	.	...	Cosgrave Br.	430	3¼	3¼	3¼	3¼
5	3½	.	...	Cosmos Imp.	....	4½	..	..	..
68	62	7	11.3	Do. pref.	....	62	..	..	..
3	2	.	...	Crown Do. Oil	5	2¼	2¾	2¾	2¾
13	9	3	...	Crow's N. Coal	....	12	..	..	..
1¼	1¼	.	...	David & Fre. B	....	1¼	..	..	..
x12½	12½	.	...	De Havilland	....	12½	..	..	..
x9	5	.	...	Disher Steel	....	5	..	..	..
x10	10	1.50	..	Do. pref.	....	10	..	..	..
6⅛	3½	.	...	Distill-Seagram	600	3⅞	3⅞	3½	3½
7	7	.	...	Dodge "A" pf.	45	7	7	7	7
194	189	12	6.3	Dominion Bk.*	....	189	..	..	..
27	27	2.50	9.2	Dom. Bridge*	....	27	..	..	..
x40	40	.	...	Dom. Coal*	....	40	..	..	..
22½	21	.	...	Dom. Engineer	....	21	..	..	..
‡14	10	.	...	Dom. Found.	....	..	..	..	..
65	60	5	7.7	Dom. Glass*	35	..	65	60	60
112	100	7	7	Do. pref.	....	100	..	..	..
5¼	3	40c	11.4	Dom. Motors	65	3½	3½	3½	3½
7½	3½	.	...	Dom. Pr. Stubs	135	6½	6½	6	6½
2½	1¾	.	...	Dom. St. & CB	150	2	2	2	2
x24	24	.	...	Dom. Steel, pf.	....	24	..	..	..
20	16¼	1.20+30c	8.1	Dom. Stores	245	18¼	18½	17¾	18⅛
5	4	.	...	Dom. Tar & Ch	45	5	4	4	4
x95	79½	6.50	...	Do. pref.	....	79½	..	..	..
63¼	50	5	9.2	Dom. Textile	166	53½	54	53¾	53¾
105	100	7	7	Do. pref.	....	100	..	..	..
x12	10	.	...	Donnacona	....	10	..	..	..
2	1¼	.	...	Dryden Pap.	865	1⅜	1¼	1¼	1¼
4	3	.	...	Duff. Paving	....	3	..	..	..
49	45	7	15.5	Do. pref.	....	45	..	..	..
20	20	.	...	East Koot. Pr.	....	20	..	..	..
x97	94½	7	...	Do. pref.	....	96	..	..	..
16	10	1	6.9	East. Dairies	....	14½	..	..	..
x20	16	50c	...	East. Steel*	....	16	..	..	..
x100	97	7	...	Do. pref.*	....	98	..	..	..
‡34	28½	2	...	East. Theatres	....	..	..	..	..
‡85	80	7	...	Do. pref.	....	..	..	..	..
x3¾	3¾	.	...	Easy Washer	....	3¾	..	..	..
x37	34½	1.50	...	Economic Inv.*	....	37	..	..	..
x15	15	.	...	Edmonton D'y	....	15	..	..	..
x80	78⅝	6.50	..	Do. pref.	....	78⅝	..	..	..
4	4	.	...	Enam. & Heat.	....	4	..	..	..
19	19	3	15.8	Eng. Electric	....	19	..	..	..
2½	1½	.	...	Do. (B)	....	1½	..	..	..
x39½	16	2	...	Fam. Players	....	18	..	..	..
x33½	18	2	...	Do. Vot. Tr.	....	18	..	..	..
10	9	1	10	Fanny Farmer	55	9	10	9¾	10
29	28	2.40	8.6	Do. pref.	....	28	..	..	..
‡83½	75	.	...	Firstbrook Box	....	..	..	..	..
16¾	11	.	...	Ford Motors A	1747	15¼	15¾	14½	15⅛
3⅞	3⅞	.	...	For. Pr. Secs.	....	3⅞	..	..	..
9	9	1	11.1	Foundation Co.	....	9	..	..	..
1¼	1	.	...	Fraser Cos.	395	1⅛	1⅛	1	1
x8	5	.	...	Frost Steel	....	7	..	..	..
x96½	85	7	...	Do. pref.	....	85	..	..	..
2½	1⅞	.	...	Gen. St. Wares	20	2	2	2	2
82	70	5	6.2	Goodyear Tire	39	82	82	80	82
93½	80	7	7.6	Do. pref.	35	92½	92	91	91
x93½	93½	.	...	Gould Pumps p	....	93½	..	..	..
¾	¾	.	...	Gt. W. Saddlery	....	¾	..	..	..
x8	6	.	...	Do. pref.	....	8	..	..	..
21	15½	1.60	10	Gurd, Chas.	1925	19	16	15½	15½
106	106	7	6.6	Do. pref.	150	..	106	106	106
5	3½	.	...	Gypsum, Lime	182	4½	4½	4	4
7	4¾	.	...	Ham. Bridge	25	5	5	5	5
x80	63	6.50	..	Do. pref.	....	64	..	..	..
10	10	.	...	Ham. Cot., pf.	....	10	..	..	..
1½	1½	.	...	Ham. U. Theat	....	1½	..	..	..
53	48½	7	14.4	Do. pref.	....	48½	..	..	..
4	3½	.	...	Hayes Wheel	....	3½	..	..	..
‡95	80	.	...	Do. pref.	....	..	..	..	..
‡50	50	.	...	Hillcrest Coll.	....	..	..	..	..
‡91	91	.	...	Do. pref.	....	..	..	..	..
1¾	1	.	...	Hinde & Dauch	20	1¾	1⅝	1⅝	1⅝
x75	75	.	...	Holt Renfrew	....	75	..	..	..
‡96½	90	7	...	Do. pref.	....	..	..	..	..
3⅛	2⅞	.	...	Honey Dew	....	2⅞	..	..	..
40	24	.	...	Do. pref.	92	38	37	24	24
4	2½	.	...	H. Smith Pap.	400	3	3	2½	2½
27	22	.	...	Do. pref.	....	22	..	..	..
21½	20½	2.40	11.7	Humberstone S	....	20½	..	..	..
17¾	16⅝	1.40	8.4	Hunt (A)	10	17¾	16⅝	16⅝	16⅝
x23½	18½	1.40	..	Do. (B)	....	18½	..	..	..
x150	143	8	5.5	Huron & E M*	....	144	..	..	..
x29½	28	.	...	Do. 20% pd*	....	28	..	..	..
11¼	8¾	.	...	Hydro Electric	....	11¼	..	..	..
193	188	12	6.4	Imperial Bank*	....	188	..	..	..
10⅞	9⅜	50c	5.1	Imperial Oil	5462	10	10⅜	9½	9¾
9⅞	7¼	35+17½c	.	Imperial Tob.	748	7¾	7¾	7½	7¾
x80	80	8	..	Inter. Coal, p.	....	80	..	..	..
x29	9⅛	2a	...	Int. Hyd. E. A	....	9⅛	..	..	..
97	95	7	7.4	Inter. Mill. pf.	5	96	95	95	95
x80	80	6	...	Do. Series A	....	80	..	..	..
11	8½	.	...	Inter. Nickel	9206	9	9½	8⅞	9½
4	4	.	...	Inter. Paints	....	4	..	..	..
b2½	1⅞	.	...	Int. Pa. & Pr. A	100	2	2	2	2
b1	1	.	...	Do. (B)	....	1	..	..	..
b⅞	⅞	.	...	Do. (C)	....	⅞	..	..	..
b11	7	.	...	Do. pref.	600	8	7½	7	7
11½	10½	1	9.1	Inter. Pete.	1461	11¾	11¼	10½	11
x8	5	.	...	Inter. Power	....	5	..	..	..
x78	56½	.	...	Do. pref.	....	57	..	..	..
9⅞	6½	.	...	Int. Util. (A)	500	8½	8½	8	8
3	2	.	...	Do. (B)	110	2	2	2	2
x40	40	1	2.5	Jam. Pub. Ser.	....	40	..	..	..
x109	99¾	7	7	Do. pref.	....	100	..	..	..
4	3½	.	...	Kelvinator	....	3½	..	..	..
90	88	7	7.8	Do. pref.	....	90	..	..	..
7	5½	.	...	Lake of Woods	50	5½	5½	5½	5½
x101	82	.	...	Do. pref.	....	85	..	..	..
x140	140	8	5.7	Landed Bank.*	....	140	..	..	..
39	36	3	7.9	Laura Secord	10	39	38	38	38
8	5	1	20	Lindsay, C. W.	....	5	..	..	..
60	50	6.50	13	Do. pref.	....	50	..	..	..
10¾	9⅞	80c	7.6	Loblaw (A)	217	10¼	10½	10	10¼
10½	9	80c	8.4	Do. (B)	161	9½	9½	9	9½
‡2¾	2¾	.	...	Loew's, London	....	..	..	..	..
x25	19	.	...	MacKin. Steel	....	20	..	..	..
x95	90	7	...	Do. pref.	....	91	..	..	..
6½	6½	.	...	Manitoba Pr.	....	6½	..	..	..
5	2	.	...	Maple Leaf	....	5	..	..	..
20½	12	.	...	Do. pref.	50	15	15	12	15
x38	30	.	...	Marcus Loew's	....	38	..	..	..
60	60	.	...	Do. pref.	....	60	..	..	..
4¼	2¾	.	...	Massey-Harris	842	3¾	3⅞	3½	3⅝
10½	9	60c	6.1	McColl Fron.	903	9⅞	9⅞	9½	9¾
x80	69¾	6	7.9	Do. pref.	....	76	..	..	..
x45	35	.	...	Mexican L & P	....	35	..	..	..
‡25	25	.	...	Mercury Mills	....	..	..	..	..
‡89	58½	.	...	Do. pref.	....	..	..	..	..
x40½	40	2	..	Mitchell, J. S.	....	40	..	..	..
x105	104	7	...	Do. pref.	....	105	..	..	..
8	6	.	...	Mitchell, Robt.	52	6⅞	6	6	6
x1	1	.	...	Monarch Knit.	....	1	..	..	..
30	25	.	...	Do. pref.	....	25	..	..	..
75	75	6	8	Montreal Cot.	....	75	..	..	..
x102	98	7	...	Do. pref.	....	100	..	..	..
2½	2½	.	...	Montreal Exhib.	....	2½	..	..	..
x20	14	.	...	Mont. Is. Pr.	....	14	..	..	..
38	36	1.50	4.2	Mont. L. & Pr.*	196	36	36	36	36
49½	48	3+25	6.8	Montreal Loan	....	48	..	..	..
47	44¼	3.20	6.8	Montreal Tele.	1	45	47	47	47
150	120	10	8.3	Mont. Trams.	....	120	..	..	..
10	7	50c	7.1	Moore Corp.	1	8½	7	7	7
93	80	7	8.6	Do. (A)	....	81½	..	..	..
97	90	7	7.8	Do. (B)	....	90	..	..	..
‡10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
‡49	49	1	...	Do. pref.	....	..	..	..	..
2	1½	10c	...	Muirheads	....	2	..	..	..
9	8	75c	8.3	Do. pref.	....	9	..	..	..
24	24	1.60	6.7	Nat. Brew.*	....	24	..	..	..
x35	27	1.75	..	Do. pref.	....	31	..	..	..
‡10	3	.	...	Nat. Brick	....	..	..	..	..
3	3	.	...	Do. pref.	....	3	..	..	..
x.50	.25	.	...	Nat. Distiller.	....	.40	..	..	..
12½	8¼	2	16	Nat. Steel Car	1703	11	12½	11⅜	12½
255	245	14	5.7	National Tr.*	....	245	..	..	..
10	10	1	10	Niag. W. Weav.	....	10	..	..	..
x36	22	3	..	Do. pref.	....	32	..	..	..
2.50	1.75	.	...	North Star Oil	115	1.75	1.75	1.75	1.75
x4.95	4.00	35c	...	Do. pref.	....	4.25	..	..	..
‡25	22½	.	...	N.S. Steel, pf.	....	..	..	..	..
x285	125	8	4.3	Ogilvie Flour*	....	185	..	..	..
105	99	7	6.7	Do. pref.	15	99	105	105	105
9	7	40c	5.3	Ont. Eq. 10% p	....	7½	..	..	..
x120	113	6	5.1	Ontario Loan*	....	117	..	..	..
x7	5	.	...	Ont. Silknit	....	7	..	..	..
x16	13	.	...	Ont. Steel	....	13	..	..	..
‡105	105	7	...	Do. pref.	....	..	..	..	..
x1½	¾	.	...	Orange Crush.	....	¾	..	..	..
45	36	7	19.4	Do. (A)	20	44	36	36	36
x5½	1	.	...	Do. (B)	....	1	..	..	..
100	100	6	6	Ott. L. H. & P*	....	100	..	..	..
100	100	6.50	6.5	Do. pref.	....	100	..	..	..
x25	25	.	...	Ott. Traction	....	25	..	..	..
68	49½	5	8.5	Page Hersey	31	59	60	59	59
b11½	6½	.	...	Paramount	54700	9	9	7½	8¼
x35	30	.	...	Paton Mfg.	....	30	..	..	..
x94	92	7	...	Do. pref.	....	94	..	..	..
x½	½	.	...	Pelissiers	....	½	..	..	..
x30	25	.	...	Do. pref.	....	30	..	..	..
28	21	3	10.7	Penmans	25	..	28	21	28
x101	93	6	...	Do. pref.	....	97	..	..	..
18½	17½	2	11.1	Photo Eng.	....	18	..	..	..
x40	10	.	...	Port Alfred, pf.	....	10	..	..	..
x70	64	7	...	Porto Rico Pr p	....	70	..	..	..
b9	4½	.	...	Postal Tele. p.	....	..	..	..	..
36½	36½	2	5.5	Power Corp.*	....	36½	..	..	..
90	90	6	6.7	Do. pref.	....	90	..	..	..
2	2	.	...	Prairie C. Oil.	40	2	2	2	2
10	6¼	25c	2.5	Pressed Metals	25	10	10	10	10
x42¾	25	.	...	Price Bros.*	....	25	..	..	..
x99	70	.	...	Do. pref.*	....	70	..	..	..
29	29	2	6.9	Quebec Power*	....	29	..	..	..
x110	105	7	6.7	Real Estate L*	....	105	..	..	..
2	1	.	...	Regent Knit.	25	1	1	1	1
6	6	.	...	Reliance Grain	....	6	..	..	..
11½	10	2	17.4	River. S. Mills	....	11½	..	..	..
12	12	1.50	12.5	Robinson Cone	....	12	..	..	..
4	3	.	...	Rogers Majest.	50	4	3	3	3
x291	231	12	5.2	Royal Bank*	....	231	..	..	..
x84	75	.	...	Ruddy, E. L. p	....	75	..	..	..
x77¾	32	2	5.7	Russell Motor	....	35	..	..	..
70	61	7	11.1	Do. pref.	....	61	..	..	..
4	3	.	...	Sarnia Br. (A)	10	4	3	3	3
1	1	.	...	Do. (B)	....	1	..	..	..
7	5	.	...	Serv. Station	305	5⅞	6	5½	5½
46	40	6	15	Do. pref.	....	40	..	..	..
33	33	2	6.1	Shawinigan*	....	33	..	..	..
20	8	.	...	Sher.-Wms.	175	12	12	10	10
x121	112	7	...	Do. pref.	....	115	..	..	..
17	5	.	...	Simon & Son.	360	17	5⅛	5	5
x92	88½	7	7.7	Do. pref.	....	91	..	..	..
55½	36½	6.50	...	Simpson, Ltd.	18	39	38	36½	36½
x44½	36	.	...	Do. (A)	....	36	..	..	..
x35½	24½	.	...	Do. (B)	....	29	..	..	..
x108	100	6	...	Simpson, R., p.	....	103	..	..	..
25	15	1	5	So. Can. Pr.	30	19¾	20	19¾	19¾
90	88	6	6.8	Do. pref.	33	89	90	88	88
1.00	.65	.	...	St. Law. Corp.	265	.80	1.00	.80	1.00
4	2¾	.	...	Do. (A)	100	3	2¾	2¾	2¾
x20	16	.	...	St. Law. Flour	....	16½	..	..	..
x85	82	7	...	Do. pref.	....	85	..	..	..
11	9	.	...	St. Law. Pap. p	....	9	..	..	..
x30	4	.	...	St. Maur. V. p	....	4	..	..	..
3	2½	.	...	St. Pav. & Mat.	80	2½	2½	2½	2½
46	40	7	17.5	Do .pref.	25	40	40	40	40
x1	1	.	...	Stanfords	....	1	..	..	..
5	4	.	...	Stand. Chem.	25	5	5	5	5
3	2	.	...	Stand. Steel	85	3	3	2½	2½
x35	30	1	10	Do. pref.	....	30	..	..	..
24	20	1.75	7.1	Steel of Can.	660	23¼	23½	22	22
29	24¼	1.75	6.9	Do. pref.	9	25	25½	25	25
½	½	.	...	Sterling Coal	....	½	..	..	..
18½	15¼	1	5.9	Sup. Pete. ord.	30	18	18½	17	17
x31	14	1	6.7	Do. com.	....	15	..	..	..
98	95	7	7.4	Do. pref.	....	95	..	..	..
42	36	.	...	Tamblyn	45	..	42	36	42
100½	95	7	7.1	Do. pref.	....	98	..	..	..
18	17	3.50	19.4	Thayers, pref.	20	18	18	18	18
7	7	.	...	Tip Top Tailors	....	7	..	..	..
x90	77	7	8.4	Do. pref.	....	83	..	..	..
x22	10	.	...	Tooke Bros.	....	10	..	..	..
x67	48¼	.	...	Do. pref.	....	48¼	..	..	..
13	11	.	...	Tor. Elevators	25	13	12	12	12
210	210	12	5.7	Tor. Gen. Tr.*	....	210	..	..	..
x115	108	6	5.4	Toronto Mtge.*	....	110	..	..	..
x3	1	.	...	Traymore	....	1½	..	..	..
x12½	7	.	...	Do. pref.	....	7	..	..	..
120	115	7	6.1	Tuckett Tob. p.	35	119	115	115	115
4	3⅛	.	...	Twin City	....	3¼	..	..	..
b24½	13	.	...	Do. pref.	....	..	..	..	..
37	35	.	...	Do. (notes)	....	35	..	..	..
5	3	.	...	Union Gas	285	3½	3¾	3½	3¾
x101½	98	7	6.9	Union Trust*	....	100½	..	..	..
x8	3	.	...	United Fuel	....	6½	..	..	..
15	10	.	...	Do. pref.	20	12	12	12	12
x62½	40	2	...	United Secs.	....	40	..	..	..
11	10	.	...	Viau Biscuit	....	10	..	..	..
75	70	7	10	Do. pref.	5	70	70	70	70
12	10	.	...	Wabasso Cot.	....	10	..	..	..
4¾	2⅜	25c	6.7	Walker-Good.	13274	3¾	4	3½	3¾
5¼	2½	.	...	Do. new	1393	5½	5½	4¾	4¾
12	9⅜	.	...	Do. pref.	1146	10¼	10⅜	9⅜	9⅜
3¾	2	.	...	Waterloo Mfg.	....	2	..	..	..
80	75	7	8.9	W. Koot. Pr. p	....	80	..	..	..
8	7	.	...	West. C. Flour.	15	8	8	8	8
x96	70	6.50	..	Do. pref.	....	70	..	..	..
11	10	.	...	West. Grocers.	51	11	11	11	11
46	43	7	15.2	Do. pref.	....	46	..	..	..
x91	85	.	...	W. Steel Pr. p	....	91	..	..	..
x45	30	1	2.6	Weston Bisc.*	....	38	..	..	..
x90	79	7	8.9	Do. pref.*	....	79	..	..	..
‡9	9	.	...	Whittall Can.	....	..	..	..	..
x13	10	.	...	Windsor Hotel	....	12	..	..	..
x73	71	6.50	...	Do. pref.	....	71	..	..	..
8	5	.	...	Winnipeg Elec.	140	5½	5	5	5
x81½	49	.	...	Do. pref.	....	50	..	..	..
x40	36	.	...	Woods Mfg. p.	....	36	..	..	..
‡2½	1½	.	...	Zimmerknit	....	..	..	..	..
x7	7	.	...	Do. pref.	....	7	..	..	..

x Quotations for 1931. No sales recorded in 1932 to date.
a Or payable in stock.
b New York Quotations.
‡ Quotations for 1930.
c 2½c monthly plus stock dividend of ½ of 1% monthly.
† Plus stock bonus.
* Minimum price is set, below which trading is not permitted for time being. List of minimum prices is given elsewhere.

Winnipeg Stock Exchange
March 18, 1932

	Bid	Ask		Bid	Ask
Beaver Fire	..	115	Monarch Life	25	28
Beaver Lumber c.	6	..	North. Trust	..	24
Can. Amer. Tr. sh.	..	3⅝	Un. Gr. Growers	..	12¾
City Dairy (Wpg.) pref. 7%	..	65	Reliance Gr. pf.	..	60
Corporate Steel c.	..	5	West Breweries	1½	2
Cresc.-Cream. pf.	..	80	Fund. Tr. shs. 'A'	..	3⅞
Home Invest.	..	50	Do., "B"	..	4⅛
			Grouped Inc. Shs.	..	4.41

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Ajax Oil & Gas	12c	3c	Apr. 15	Mar. 31
Agnew Surpass, pref.	$7	$1.75	Apr. 1	Mar. 15
Associated Breweries	60c	15c	Mar. 31	Mar. 15
Do., pref.	$7	$1.75	Apr. 1	Mar. 15
Assoc. Tel. & Tele. "A"	$4	$1	Apr. 1	Mar. 17
Do., 1st pref.	7%	1¾%	Apr. 1	Mar. 17
Do., pref.	$6	$1.50	Apr. 1	Mar. 17
Do., pref.	$4	$1	Apr. 1	Mar. 17
Brantford Cordage pfd.	8%	2%	Apr. 15	Mar. 20
Brand-Henderson pref.	...	$1	Apr. 1	Mar. 1
Bell Telephone	$8	$2	Apr. 15	Mar. 23
Brazilian Tr pref.	$6	$1.50	Apr. 1	Mar. 15
Bank of Nova Scotia	16%	4%	Apr. 1	Mar. 16
Brit. Amer. Oil (coupon 8)	80c	20c	Apr. 1	Mar. 15
B. C. Power "A"	$2	50c	Apr. 15	Mar. 31
Building Products "A" & "B"	$2	50c	Apr. 1	Mar. 17
Burt, F. N.	$3	75c	Apr. 1	Mar. 15
Do., pref.	$7	$1.75	Apr. 1	Mar. 15
Can. Fairbanks, pref.	6%	1½%	Apr. 15	Mar. 31
Can. Public Ser., pfd.	6½%	1⅝%	Apr. 1	Mar. 15
Can. Wire. Box	$1	50c	Apr. 1	Mar. 15
Calgary Power c.	$6	$1.50	Apr. 1	Mar. 15
Can. Gen. Invest. (coupon 15)	60c	15c	Apr. 1	Mar. 15
Can. Pacific Railway	$1.25	31¼c	Apr. 1	Mar. 1
Do., pref.	4%	2%	Apr. 1	Mar. 1
Canadian Car, pref.	$1.75	44c	Apr. 9	Mar. 26
Canadian Oil, pref.	8%	2%	Apr. 1	Mar. 19
Canada Nor. Power	80c	20c	Apr. 25	Mar. 31
Do., pref.	7%	1¾%	Apr. 15	Mar. 31
Canada Bread, 1st pfd.	7%	1¾%	Apr. 1	Mar. 15
Canada Bud	$1	25c	Apr. 15	Mar. 31
Canada Cement, pref.	$6.50	$1.62½	Mar. 31	Feb. 29
Can. Celanese pref.	7%	1¾%	Mar. 31	Mar. 15
Can. Perm. Mortgage	12%	3%	Apr. 1	Mar. 16
Central Can. Loan	$12	$3	Apr. 1	Mar. 15
Can. Cottons, pref.	$6	$1.50	Apr. 4	Mar. 19
Can. Canners	20c	5c	Apr. 1	Mar. 15
Do., 1st pref.	6%	1½%	Apr. 1	Mar. 15
Do., 2nd pref.	68c	17c	Apr. 1	Mar. 15
Can. Gen. Elec.	$4	$1	Apr. 1	Mar. 15
Do., pref.	$3.50	87½c	Apr. 1	Mar. 15
Can. Industries c. "A"	$2.50	62½c	Apr. 30	Mar. 31
Do., extra	....	25c	Apr. 30	Mar. 31
Do., "B" com.	$2.50	62½c	Apr. 30	Mar. 31
Do., extra	....	25c	Apr. 30	Mar. 31
Do., pref.	$7	$1.75	Apr. 15	Mar. 31
Consumers Gas	10%	2½%	Apr 1	Mar. 15
Chartered Trust	6%	1½%	Apr. 1	Mar 26
Cons. Bakeries, c.	$1	25c	Apr. 1	Mar. 16
Cities Service, com.	30c	2½c	May 2	Apr. 15
Do.,	6% stk.	½% stk.	May 2	Apr. 15
Crescent Creamery, pfd.	7%	1¾%	Apr. 15	Mar. 31
Canada Dry	$1.20	30c	Apr. 15	Apr. 1
Canada Packers, pref.	7%	1¾%	Apr. 1	Mar. 15
Can. Bronze	$1.25	31¼c	May 1	Apr. 20
Do., pref.	7%	1¾%	May 1	Apr. 20
Dom. Textile	$5	$1.25	Apr. 1	Mar. 15
Do., pref.	$7	$1.75	Apr. 15	Mar. 31
Dominion Bank	$12	$3	Apr. 1	Mar. 19
Dominion Glass	$5	$1.25	Apr. 1	Mar. 15
Do., pref.	$7	$1.75	Apr. 1	Mar. 15
Dominion Stores	$1.20	30c	Apr. 1	Mar. 15
Dome Mines	$1	25c	Apr. 20	Mar. 31
Dominion Bridge	$2.50	62½c	May 16	Apr. 30
Dominion Tar & Ch. pfd.	6½%	1⅝%	May 1	Apr. 6
Dufferin Paving, 1st pfd.	$7	$1.75	Apr. 1	Mar. 24
Dom. Rubber, pfd.	7%	1¾%	Mar. 31	Mar. 23
Eastern Dairies	$1	25c	May 2	Mar. 31
Eastern Steel, pfd.	7%	1¾%	Apr. 1	Mar. 15
East. Twps. Tele., c.	72c	36c	Apr. 15	Dec. 31
Economic Invest. Tr.	$1.50	75c	Apr. 1	Mar. 19
Eastern Can. Savings	$8	$2	Apr. 1	Mar. 21
Edmonton City Dairy pfd.	6½%	1⅝%	Apr. 1	Mar. 15
Fanny Farmer	$1	25c	Apr. 1	Mar. 15
Do., pref.	$2.40	60c	Apr. 1	Mar. 15
Freiman, A. J., pfd.	$6	$1.50	Apr. 1	Mar. 15
Famous Players	$2	50c	Mar. 26	Mar. 4
General Trust, pref.	$6	$1.50	Apr. 1	Mar. 26
Greening (B) Wire, pfd.	7%	1¾%	Apr. 1	Mar. 15
Guar. of N. Amer. c.	$6	$1.50	Apr. 15	Mar. 31
Do., extra	$10	$2.50	Apr. 15	Mar. 31
Goderich Elevator	$1.40	35c	Apr. 1	Mar. 15
Goodyear Tire, com.	5%	1¼%	Apr. 1	Mar. 15
Do., pref.	7%	1¾%	Apr. 1	Mar. 15
Gurd, Chas.	$1.60	40c	Apr. 1	Mar. 15
Do., pref.	$7	$1.75	Apr. 1	Mar. 15
Great West Life	$20	$5	Apr. 1	Mar. 19
Holt Renfrew pfd.	$7	$1.75	Apr. 1	Mar. 26
Hamilton Bridge, pref.	6½%	1⅝%	May 2	Apr. 15
Hamilton Un. Theatres pfd.	7%	1¾%	Mar. 31	Feb. 29
Huron & Erie Mtge.	$8	$2	Apr. 1	Mar. 15
Hollinger Cons. Mines	65c	5c	Mar. 24	Mar. 10
Hunt's "A"	$1.40	35c	Apr. 1	Mar. 15
Do., "B"	$1.40	35c	Apr. 1	Mar. 15
Highland Dairy, pref.	7%	1¾%	Apr. 1	Mar. 26
Home Investment	$4	$1	Apr. 1	Mar. 20
Howe Sound, c.	$1	25c	Apr. 15	Mar. 31
Hydro-Elec. Secs., c.	..	10c	Mar. 31	Mar. 18
Inter. Hydro-Elec. "A"	$2	†50c	Apr. 15	Mar. 25
Do., pref.	$3.50	87½c	Apr. 15	Mar. 25
Inter. Nickel, pref.	7%	1¾%	May 2	Apr. 2
Imperial Tobacco,	35c	8¾c	Mar. 31	Mar. 2
Do., final	...	17½c	Mar. 31	Mar. 2
Do., pref.	6%	3%	Mar. 31	Mar. 2
Imperial Bank	12%	3%	May 2	Mar. 31
Invest. Foundation, pfd.	$1.50	37c	Apr. 15	Mar. 31
Jamaica Pub Ser., c.	$1	25c	Apr. 1	Mar. 24
Do., pref.	7%	1¾%	Apr. 1	Mar. 24
London Life Insur.	$8	$2	Mar. 31	Mar. 19
Landed Banking & Loan	8%	2%	Apr. 1	Mar. 15
MacKinnon Steel, pref.	7%	1¾%	May 2	Apr. 15
Mitchell, J. S., pref.	7%	1¾%	Apr. 1	Mar. 16
McColl-Frontenac, pfd.	$6	$1.50	Apr. 15	Mar. 31
Montreal C. & D. Bank	$12	$3	Apr. 1	Mar. 15
Maritime Tele. & Tel.	80c	20c	Apr. 1	Mar. 15
Do., pref.	70c	17½c	Apr. 1	Mar. 15
Mackay Cos., pref.	$4	$1	Apr. 1	Mar. 18
Moore Corp.	50c	12½c	Apr. 1	Mar. 15
Do., Pref. "A"	$7	$1.75	Apr. 1	Mar. 15
Do., pref. "B"	$7	$1.75	Apr. 1	Mar. 15
Midland & Pac. Gr., 1st pfd.	$7	$1.75	Apr. 1	Mar. 20
Montreal Telegraph	$3.20	80c	Apr. 15	Mar. 31
Montreal Tramways	$10	$2.50	Apr. 15	Apr. 7
Montreal L. H. & Pr.	$1.50	37c	Apr. 30	Mar. 31
National Steel Car	$2	50c	Apr 1	Mar. 23
Niag. Wire Weav.	$1	25c	Apr. 1	Mar. 17
Do., pref.	$3	75c	Apr. 1	Mar. 17
North Star Oil, pfd.	7%	1¾%	Apr. 1	Mar. 15
Nat. Breweries	$1.60	40c	Apr. 1	Mar. 15
Do., pref.	$1.75	44c	Apr. 1	Mar. 15
Nor. Ont. Power	$2	50c	Apr. 25	Mar. 31
Do., pref.	6%	1½%	Apr. 25	Mar. 31
N. S. Light & Pr. ord.	$4	$1	Apr. 1	Mar. 19
National Trust	$14	$3.50	Apr. 1	Mar. 21
Ontario Loan & Deb.	$6	$1.50	Apr. 1	Mar. 15
Ogilvie Flour, c.	$8	$2	Apr. 1	Mar. 21
Ottawa L. H. & Pwr.	$6	$1.50	Mar. 31	Mar. 15
Do., pref.	$6.50	$1.62½	Apr. 1	Mar. 15
Orange Crush, 1st pfd.	7%	1¾%	Apr. 1	Mar. 22
Perfection Pete. pref.	$1.50	37½c	Apr. 1	Mar. 31
Page Hersey	$5	$1.25	Apr. 1	Mar. 19
Do., pref.	$7	$1.75	Apr. 1	Mar. 19
Pioneer Gold of B. C.	12c	3c	Apr. 1	Mar. 15
Power Corp. pref.	$6	$1.50	Apr. 15	Mar. 31
Do., 2nd pref.	$3	75c	Apr. 15	Mar. 31
Provincial Paper pref.	7%	1¾%	Apr. 1	Mar. 15
Penmans	$3	75c	May 1	Apr. 30
Do., pref.	6%	1½%	May 1	Apr. 30
Premier Gold Mine	12c	3c	Apr. 4	Mar. 14
Porto Rico Pr. pfd.	$7	$1.75	Apr. 1	Mar. 15
Riverside Silk "A"	$2	50c	Apr. 1	Mar. 15
Robinson Cons. Cone	$1.50	37½c	Apr. 1	Mar. 15
Sherwin-Williams, pfd.	7%	1¾%	Mar. 31	Mar. 15
Siscoe Gold Mines	..	4c	Mar. 31	Mar. 21
Standard Steel, pref. "A"	$3	75c	Apr. 1	Mar. 15
Southern Can. Power, pfd.	$6	$1.50	Apr. 15	Mar. 19
Steel of Canada	$1.75	43¾c	May 2	Apr. 7
Do., pref.	$1.75	43¾c	May 2	Apr. 7
Supertest Pete. ord. (coupon 19)	$1	25c	Apr. 1	Mar. 18
Do., com. (coupon 19)	$1	25c	Apr. 1	Mar. 18
Do., pref. "A"	$7	$1.75	Apr. 1	Mar. 18
Do., pref. "B"	$1.50	37½c	Apr. 1	Mar. 18
Sun Life Assur.	$25	$6.25	Apr. 1	Mar. 16
Societe de Prets & P. c.	$8	$2	Apr. 1	Mar. 26
Tamblyn, pref.	$7	$1.75	Apr. 1	Mar. 19
Toronto Mortgage	$6	$1.50	Apr. 1	Mar. 15
Teck Hughes	60c	15c	May 2	Apr. 15
Tip Top Tailors, pfd.	$7	$1.75	Apr. 1	Mar. 22
Toronto Gen. Trusts	12%	3%	Apr. 1	Mar. 19
Thayers, pref.	$3.50	87½c	Apr. 1	Mar. 24
Tuckett Tobacco, pref.	7%	1¾%	Apr. 15	Mar. 31
Viau Biscuit, 1st pfd.	$7	$1.75	Apr. 1	Mar. 23
Union Trust	7%	1¾%	Apr. 1	Mar. 19
United Securities, c.	$2	50c	Apr. 15	Mar. 31
Western Grocers, pref.	7%	1¾%	Apr. 15	Mar. 15
Wright Hargreaves	10c	2½c	Apr. 1	Mar. 10
Weston (Geo.) c.	$1	25c	Apr. 1	Mar. 19
West Kootenay Pr., pref.	7%	1¾%	Apr. 1	Mar. 30

†Or option of 1/50 share of class "A" stock.

Dividends Passed or Deferred:

International Nickel, com. Mar. 31 passed. Last paid 5c. Dec. 31, 1931.

Gould Pumps, pref. Apr. 1, passed. Last paid 1¾% Jan. 2, 1932.

Quebec Power, April 15. deferred to May 15, 1932. Future payments to be made quarterly Feb., May, Aug. and Nov. 15.

Shawinigan W. & Pr. April 10, deferred to May 15, 1932. Future payments to be made quarterly Feb., May, Aug. and Nov. 15.

Sherwin-Williams com. Mar. 31, passed. Last paid 40c. Dec. 31, 1931.

Paramount Publix c. Mar. 31, no action taken.

Twin City Rapid Transit, pref., Apr. 1, passed. Last paid $1.75 Jan. 2, 1932.

Granby Cons. Mining, com., May 2, passed. Last paid 12½c. Feb. 1, 1932.

Great Brit. and Can. Invest. 5% pref. Apr. 1 deferred. Last payment $2.50 October 1, 1931.

Honey Dew, pref. "A" April 1, passed. Last paid $1.75 Jan. 2, 1932.

Mitchell, Robt., Apr. 15, deferred. Last paid 25c. Jan. 15, 1932.

Price Bros. pref. Apr. 1, passed. Last paid 1⅝% Jan. 2, 1932.

Unlisted Canadian Stocks
March 22, 1932

(Furnished by A. J. Pattison, Jr. & Co., Limited)

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.20	.50
Acadia Sugar pfd.	1.35	....
Acme Farmers Dairy pfd.	65.00	75.00
Allens Coll. pfd.	29.00	....
Allens Lond. pfd.	29.50	....
Andian National Corp.	20.00	23.00
B.C. Pulp & Pap. com.	....	3.00
B.C. Pulp & Pap. 7% pfd.	13.00	....
Can. & Dom. Sugar c.	18.00	21.00
Canada Biscuit pfd.	....	8.50
Can. Machinery c.	4.00	6.50
Can. Mach. 7% pfd.	21.00	30.00
Can. Packers c.	12.00	14.00
Canada Packers 7% pfd.	70.00	77.00
Canada Starch pf.	68.00	78.00
Canada Tea pfd.	56.00	....
Canada Wire & Cable pfd. w.w.	83.00	88.00
Can. Celanese pf.	50.00	....
Can. Industries com. "A"	....	76.00
Can. Industries com. "B"	75.00	80.00
Can. Industries 7% pfd.	103.00	108.00
Can. Westing.	48.00	52.00
Chase, A. W. Units	33.00	37.50
Cons. Oka Sand & Gravel pfd.	45.00	....
Copeland Flour 6% pfd.	....	10.00
Dairy Corp. pfd.	....	39.00
Dodge Mfg. "A" pfd.	7.00	....
Dodge Mfg. "B" com.	1.00	....
Dom. Foundries & Steel c.	7.00	10.00
Dom. Foundries & Steel pfd.	56.00	....
Dom. Mfrs. pfd.	....	90.00
Dunlop Tire 7% pfd.	38.50	55.00
East. Car 6% pf.	44.00	....
Fed. Grain pfd.	21.00	28.00
Goderich Elevator & Transit	14.00	16.00
Greening Wire 7% pfd.	79.00	86.00
Guard. Rlty. pf.	....	40.00
Guelph Carp. pfd.	68.50	74.00
Harding Carp. pf.	....	50.00
Inter City Bak. c.	38.00	48.00
Internat. Proprietaries "A"	21.75	24.75
Loew's London c.	.50	2.00
Loew's Lond. pf.	3.00	6.00
M & P Stores pfd.	....	89.00
Massey-Harris pf.	12.00	15.00
Morrow Screw Nut 7% pfd.	94.00	98.00
Mount Royal Htl. Scrip	.40	2.00
Mt. Royal Htl. c.	1.25	2.75
Mt. Royal Htl. 6% pfd.	11.25	15.00
Nat. Grocers c.	....	1.50
Nat. Grocers 2nd 7% pfd.	34.00	40.00
Para. Oshawa c.	7.00	....
Prov. Paper pfd.	51.00	60.00
Rolland Paper pfd. w.w.	36.50	44.00
Standard Clay Prod. com.	18.00	25.00
Standard Fuel pfd. bonus	50.00	60.00
Supertest Petroleum "B" pfd.	15.00	....
Toronto Brick pf.	38.00	58.00
Toronto Carp. c.	....	120.00
Toronto Carpet 8% pfd.	....	100.00
Toronto Elevator 7% pfd.	65.00	75.00
Toronto Hous. c.	20.00	30.00
Un. Amuse. "A"	16.00	....
West. Grain pf.	14.00	21.00
Willards Choc. pf.	23.00	35.00
Wood Alexander & James pfd.	28.00	....

Insurance Stocks:	Bid	Asked
Br. Amer. Assce.	29.00	....
Can. Life Assce.	445.00	520.00
Canada Nat. Fire	17.00	24.00
Can. Fire Ins.	76.00	87.00
Capital Life 20% pd.	10.00	21.00
Confederation Life 20% pd.	145.00	175.00
Continental Life 20% pd.	55.00	64.00
Crown Life Ins.	92.00	....
Dominion Fire	92.00	125.00
Dom. Life 50% pd.	275.00	325.00
Dom. of Can. Gen. Ins.	175.00	210.00
Excelsior Life 30% pd.	85.00	110.00
Fidelity Ins. of Canada	....	70.00
Gt. West Life	280.00	320.00
Guar. Co. of N.A.	260.00	....
Halifax Fire	13.50	17.00
Imperial Life	305.00	375.00
Mfrs. Life	260.00	295.00
Monarch Life 10% pd.	20.00	27.00
Nat. Life 25% pd.	110.00	130.00
Saskatchewan Life 10% pd.	....	18.00
Sovereign Life 25% pd.	20.00	27.00
Sun Life Assur.	490.00	590.00
West. Assur. c.	19.00	25.00
Western Life 20% pd.	8.00	14.50
Trust & Loan Stocks:		
Br. Mtg. & Trust	170.00	....
Can. Gen. Invest. Ltd.	5.00	6.2
Chartered Trust	....	93.00
Deb. & Sec. c.	....	84.00
Deb. & Sec. pfd.	....	49.00
Eastern Can. Sav. & Loan	110.00	135.00
Eastern Trust	140.00	170.00
Guelph & Ont. Inv. par $50	50.00	62.00
Investment Foundation Units	21.00	25.00
Lambton Loan & Savings	60.00	75.00
London & Western Trust	100.00	106.00
Midland Loan & Savings	16.00	....
Mtge. Disc. pfd.	2.50	4.50
Mutual Fin. c.	....	4.50
Mutual Fin. pfd.	2.50	4.75
Premier Trust	75.00	....
Sherbrooke Tr.	118.00	....
Security Loan & Savings	105.00	125.00
Sterling Trust	....	89.00
Traders Fin. c.	....	3.75
Traders Fin. pfd.	28.00	38.00
Trusts & Guar.	62.50	66.00
Victoria Trust & Savings	170.00	....
Waterloo Trust & Savings	110.00	135.00
Power Issues:		
B.C. Elec. Pwr. & Gas pfd.	92.00	96.00
Calgary Pwr. pf.	70.00	75.00
Can. Light & Pwr. com.	20.00	25.00
Can. West. Nat. Gas LH&P com.	18.00	22.00
Can. West. Nat. Gas LH&P pfd.	67.00	71.00
Gt. Lakes Pwr. pf.	....	80.00
N.B. Pwr. 1st pf.	49.00	60.00
N.B. Tel. com.	10.00	....
N.S. L&P pfd.	69.00	81.00
Ottawa LH&P 6½% pfd.	90.00	99.00

Recent London Quotations:

Brewer Distillers	2s. 9d.
Can. & For. Sec.	3s. 9d.
Can. West. Lumber	1s. 6d.
Hudson's Bay	20s. 6d.
Do., 5% pfd.	55s.
Internat. Holdings	81½
Nfld. Pr. & Pap. deb. stock "B"	81½
Trust & Loan of Can. (15s. pd.)	5s.

Active Current Bond Prices
March 22, 1932

	Bid	Asked	Yield
Dominion of Canada 5½/33	100.	102.	4.10
Dominion of Canada 5½/34	100.	102.	4.65
Dominion of Canada 5/43	97.	99.	5.12
Dominion of Canada 4½/46	91.	93.	5.20
Dominion of Canada 4½/56	90.	92.	5.05
Dominion of Canada 5/36	98.	100.	5.00
Dominion of Canada 5/41	97.	99.	5.12
C. N. R. (Dom. of Can. Guar.) 4½/51	90.	92.	5.15
C. N. R. (Dom. of Can. Guar.) 4½/55	93.	95.	5.12
C. N. R. (Dom. of Can. Guar.) 5/54	96.	98.	5.15
C. N. R. (Dom. of Can. Guar.) 5/69	97.	99.	5.05
Province of Ontario 5/48	95.	97.	5.25
Province of Ontario 5½/47	101.	103.	5.20
Province of Ontario 6/36	101.	103.	4.99
Province of Ontario (Hydro) 4½/70	89.	91.	5.30
Province of Quebec 4½/56	92.	94.	4.95
City of Montreal 6/41	101.	103.	5.55
Abitibi Power & Paper 5/53	40.	50.	...
Argentine Gov't. (Ser. B) 6/58	55.	57.	...
Beauharnois Power 6/59	35.	40.	...
Bell Telephone Co. of Canada 1st, 5/57	102.	105.	4.65
Brazil, U. S. of, Ext. S. F. 6½/57	23.50	23.75	...
British Columbia Power 5/60	77.	83.	6.30
British Columbia Power 5½/60	83.	89.	6.35
British Columbia Telephone 5/60	88.	92.	5.55
Calgary Power 5/60	81.	85.	6.10
Canada Cement 1st Mtge. S. F. 5½/47	90.	95.	6.00
Canada Northern Power Corp. 5/53	74.	80.50	6.75
Canada Steamship Lines 6/41	36.	40.	...
C. P. R. Collateral Trust 5/54	88.	[illegible]	5.45
C. P. R. Secured Notes 4½/44	79.	84.	6.45
Chile Republic Ext. S. F. 6/60	13.25	14.	...
Columbia Republic Ext. S. F. 6/61	24.50	25.	...
Davies, Wm. 6/42	75.	80.	9.00
Dominion Canners 6/40	96.	100.	6.00
Dominion Square Corporation 6/48	50.	60.	11.00
Dominion Tar & Chemical 6/49	78.	82.	7.80
Dominion Textile 6/49	96.	100.	6.00
Duke Price Power 1st, 6/66	85.	92.	6.60
Eastern Dairies, Ltd., Conv., 6/49	86.	92.	6.80
Eaton, T. Realty 5/49	82.	90.	5.90
Famous Players 6/48	75.	80.	8.20
Federal Grain 6/49	70.	75.	8.85
Foreign Power Securities Corp. 6/49	60.	75.	8.80
Fraser Companies 6/50	25.	35.	...
Gatineau Power, 1st Mtge. 5/56	78.	83.	6.40
Gatineau Power, S. F. Debs. 6/41	76.	80.	9.20
General Steel Wares 6/52	35.	40.	...
Howard Smith Paper Mills 5½/53	61.	65.	9.25
Harris Abattoir 6/47	75.	85.	7.75
Manitoba Power, 1st S. F. 5½/51	65.	70.	8.75
Maple Leaf Milling 5½/49	60.	65.	9.30
Massey-Harris 1st Mtge. 5/47	65.	72.	8.30
MacLaren Quebec Power 5½/61	77.	82.	6.95
Montreal Coke, 1st S. F. 5½/47	95.	98.	5.70
Montreal Island Power 5½/57	87.	93.	6.05
Montreal Light, Heat & Power 5/51	100.	103.	4.75
Montreal Tramways 1st Coll. Trust 5/41	93.	96.	5.55
Montreal Tramways Gen. Ref. 4½/55	70.	75.	6.60
Montreal Tramways 5/55	78.	84.	6.35
Moodie, J. R. 6/48	85.	90.	7.00
Ontario Power Service 5½/50	65.	74.	8.30
Ottawa Valley Power 5½/70	90.	94.	5.90
Power Corporation of Canada 4½/59	63.	70.	7.00
Price Bros. 1st S. F. Ser. "A" 6/43	55.	60.	11.60
Quebec Power 1st Mtge. Coll. S. F. 5/68	80.	85.	6.00
Shawinigan Water & Power 4½/70	78.	84.	5.50
Shawinigan Water & Power 5/70	88.	94.	5.35
Simpsons 6/49	73.	80.	8.20
Southern Canada Power 1st 5/55	91.	96.	5.30
United Securities Coll. Trust 5½/52	80.	90.	6.37
West Kootenay Power 5/56	85.	89.	6.85
Windsor Hotel 6½/43	89.	93.	7.40
Windsor Hotel 6/47	75.	85.	7.70
Winnipeg Electric 5/35	90.	100.	5.00

DIVIDENDS DECLARED (Continued)

Traders Finance "A" & "B" pref. April 1. Last paid "A" $1.75, "B" $2 Jan. 2, 1932.

Tooke Bros. pref., Apr. 15, passed. Last paid $1.75 July 15, 1931.

Dividend Rate Reduced:

Brandram Henderson pref., $1 Apr. 1, reduced from $1.75 quarterly.

Gurd, Chas., com. 40c, Apr. 1. Reduced from $2 to $1.60 per annum.

Moore Corp., c. 12½c. Apr. 1. Reduced from $1 to 50c. per annum.

Economic Invest. Trust c. 75c. Apr. 1. Reduced from $1.75 to $1.50 per annum.

Howe Sound, c. 25c. Apr. 1. Reduced from $2 to $1 per annum.

Extra Dividends:

Imperial Tobacco, com. final div., 17½c. Mar. 31.

Can. Industries com. "A" and "B" 25c. April 30.

Guarantee Co. of N. Amer. $2.50 Apr. 15.

A.J. Pattison, Jr. & Co. LIMITED
INVESTMENT BANKERS
Dealers in Unlisted Bonds and Shares
Royal Bank Bldg. (Third Floor) Toronto Elgin: 5101 (TEN LINES)

ALDERMAC PYRITE PRIMARY PRODUCT FOR NEW INDUSTRY

Annual Report Tells of Successful Start Made

The fourth annual report of Aldermac Mines, for the year ended December 31, 1931, reflects period of construction, which resulted early this year in the establishment of a source of supply for a new industry for Canada.

The new 500-ton daily capacity Aldermac concentrator, constructed at the company's mine in the Rouyn area, Quebec, is now in successful operation producing pyrite concentrate, containing 50 per cent sulphur and 46 per cent iron, in addition to small amounts of copper concentrates extracted from the company's ore. The pyrite produced provides a source of supply for the patented Freeman pyrite burner, used in making sulphuric acid, and replaces the use of imported brimstone for the purpose.

Bond Issue Sold

The construction of the new concentrator was financed early in 1931 by a $400,000 bond issue of which $350,000 has been taken up. This issue was a first mortgage 7 per cent gold bond, underwritten at par and due in 1941. During the year 1,500,000 additional common shares were also issued for other than cash, making the outstanding common capitalization 4,998,695 shares of no par value.

The new concentrator while rated at 500 tons daily is so constructed that it can be increased to 1,000 tons at a minimum cost. The concentrator proper is about one mile from Aldermac station on the C. N. R. To avoid the expense of constructing a railway spur to the mill the concentrates are pumped through a wooden pipe line to Aldermac station, where the filter plant removes the water and dries the concentrate for shipment.

The balance sheet, as of December 31, 1931, showed current assets of $65,757 as against current liabilities of $69,049, but any additional financing can be provided by issuing the remaining bonds.

The annual meeting of the company is called for April 8, in Montreal.

EAST. TOWNSHIPS TELEPHONE PROFIT SLIGHTLY DOWN

Working Capital Position Shows Considerable Improvement

From Our Own Correspondent

MONTREAL.—Gross revenue of Eastern Townships Telephone Co., subsidiary of Bell Telephone Co. of Canada, was $100,401 compared with $102,064 reported in 1930. After deduction of operating and maintenance expenses, depreciation and taxes, net earnings were $18,844 compared with $22,960 in the previous year.

Interest payments absorbed $7,443, leaving net profits of $11,400 against $15,561 in 1930. Dividends paid at the usual rate of 72 cents a share were slightly higher at $6,208, reflecting the issuance of additional common stock, and surplus was increased by $5,191, to $34,331.

Income Account Figures

Following is a comparison of profit and loss for the past two years:

	1931 $	1930 $
Gross revenue	100,401	102,065
Less: Oper. expenses	52,510	50,455
Maintenance	12,063	12,256
Depreciation	15,240	14,721
Taxes	1,744	1,672
Net earnings	18,844	22,961
Bond interest	7,444	7,400
Net profit	11,400	15,561
Less: Divds.	6,209	5,426
Surplus for year	5,191	10,135
Add: Prev. surplus	†29,140	†18,925
Bal. forward	34,331	29,060

†Adjusted.

Working Capital Gains

The balance sheet shows current assets of $36,681 and current liabilities of $8,178 leaving working capital at $28,503. This was a substantial improvement over the $163 reported at the end of 1930.

In his report to shareholders, A. C. Skinner, president of the company, states that during the year 2,660 shares of common stock were issued to shareholders in the proportion of one in three to shareholders, and this was all taken up with the exception of 86 shares. Various improvements in the company's service and plant were affected in Rock Island and Coaticook at a cost of $20,000.

During the year 236 new telephones were installed and 285 removed, showing a net loss of 49 stations. The loss was entirely accounted for on rural lines as town installations showed an increase.

Conduits Passes Dividend

Conduits Co. will not pay the usual quarterly dividend of 1¾ per cent on the $100 par value preferred stock ordinarily payable April 1. In the 14 months ended December 31, 1931. the company had a loss of $9,665

Established in 1889
By the late J. P. Langley, F.C.A.
J.P. LANGLEY & CO.
C. P. ROBERTS, C.A.
Chartered Accountants
G. S. HOLMESTED
Authorized Trustee in Bankruptcy Proceedings
Liquidator, Receiver, Etc.
Offices
McKINNON BUILDING
Elgin 5305-6 TORONTO

Dominion Foundries & Steel
Limited
STEEL PLATE STEEL FORGINGS
STEEL CASTINGS
For Every Purpose
Hamilton Ontario

CONSUMERS GAS ACCEPTS OFFERS FOR 8,333 SHARES

Could Have Sold Twice Over But Lower Bids Rejected

Acceptance by Consumers Gas Co. of tenders covering only two-thirds of the total issue offered of 12,500 shares although subscriptions were for a total exceeding 25,000 shares will probably raise in many minds the whole question of whether or not the method of securing bids by tender for additional capital stock issues is proving itself to be as good as the old way of offering rights to shareholders. It is known that the company could have placed the entire issue through investment bankers or sell direct to institutional investors.

The bids accepted show an average of about the present market price around 150. The rejected bids were at prices which would not give the company capital at what it regards as a reasonable cost. The news was accepted by the market adversely at first and the stock ran down from 152 to 149½ but recovered within a day to 152 as traders realized that the directors of Consumers Gas had definite ideas as to what was a reasonable price for their stock.

Has Enough Money

"The accepted tenders will give the company sufficient money to take care of immediate and early future requirements," said Arthur Hewitt, vice-president and general manager. "The directors did not feel it advisable to accept bids which would have meant that the company was paying more for its capital than present conditions in the money markets justify, especially as tenders at higher prices give the company sufficient money for its immediate purposes."

"This rejection is in the interest of the company's patrons as one reason for our ability to sell gas at low prices is the fact that we have financed our growth in the past at a cost lower than the average for public-utility companies.

"It is gratifying that, so far as can be discerned from the bids, the stock is going into investment hands and has not been bought for trading purposes. We are also pleased that the company's stock should have attracted almost as many bidders on this occasion as did the offering in 1929 when conditions were so much more favorable to financing of every kind."

Shareholders Buy More

As indicated in these remarks by Mr. Hewitt, most of the successful bidders were private and institutional investors, most of them already shareholders. The rejected bids were in many cases evidently by bargain seekers who hoped to get the stock low and sell at a profit shortly. Even at that the new stock must have been obtained at an average around 152 whereas in 1929 the price was nearly 188 even though in the meantime the company has improved its position. However, investors will get in line with prices obtaining for Government and other bonds the higher yield of 6½ per cent from stock just bought. It is probable that another offering will occur in 1933. The amount just sold is sufficient for present needs.

The result is of great interest as this is the first important stock issue since the stock market crashed in 1929. It came out on a bond market and the partial success may possibly prove more in the company's interest than the sale of the whole issue at the market price, and certainly will prove so if general market levels have improved in the meantime along with Consumers Gas Co.

MANITOBA HEARS INTIMATE DETAILS OF SAVINGS RUN

But Investigation Proceeding Slowly — Correspondence Disclosed

From Our Own Correspondent

WINNIPEG.—The special committee of the legislature investigating the closing of the provincial savings offices is proceeding slowly, due to delay in copying correspondence to be brought down. Correspondence already made available shows that Premier Bracken has made representations as to the need for assistance to Premier Bennett early in January, and that as the result of information then given him, Premier Bennett took exception on January 18 to advertisements which were being published inviting more deposits.

Before the end of January, Premier Bracken made a definite request to the Dominion Government for a loan to meet the demands of depositors. On February 4 he telegraphed to Ottawa than in the lack of assistance it would be almost immediately necessary to impose the notice requirement of 30 days in connection with deposits, and to obtain necessary money by an issue of provincial bonds, extending the withdrawal limit from time to time until funds could be secured.

The banks were still willing to provide the necessary money, Premier Bennett was advised, but only on condition that a dominion guarantee should be given.

On February 9 Premier Bennett advised Mr. Bracken that the following day terms would be transmitted to him of the arrangements that would be authorized.

Various statements were submitted showing the accelerating rate at which withdrawals by depositors were made as rumors regarding the condition of the savings office continued to circulate. Amounts of $1,900,000 and $2,600,000 were advanced by the chartered banks to provide funds to enable depositors accounts to be closed out during the run.

Week's Canadian Quotations—Continued

Listed Bond Quotations

Week Ending March 21

Montreal	Int. Rate	Due	Latest Yield	Bid	High	Low	Range 1932 High	Low
Abitibi, 1st mtge.	5	1953	...	...	45	...	46	34¼
Asbestos	5	1942	...	65	...	...	65½	...
Asbestos, 1st mtge.	6	1941	...	...	...	...	*20	14
Do., gen. mtge.	6	1956	...	†14	...	...	*9	...
Can. Cons. Rub.	6	1946	...	...	...	...	*69¾	...
Can. Cottons	5	1940	...	...	...	...	*91	90
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive	6	1951	...	...	...	...	‡96	...
Can. Pr. (La. Ser.)	5½	1958	...	†9¾	...	...	7	7
Do. (Way. Ser.)	5½	1958	...	†6⅞	6⅞	...	*28½	5½
Can. S. S. deb.	5	1943	...	...	...	...	‡98½	...
Cedars Rapids	5	1953	5.00	†100	100	...	100	98
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dom. Coal	5	1940	...	...	...	...	*98½	98
McNish	6	1948	...	†2.00	...	...	*3.25	2.25
Mex L. & Pr.	5	1940	...	...	...	...	*73½	70½
Mont. L. H. & P.	4½	1932	...	...	...	...	‡100	98¾
Mont. Tr. 1st mtge.	5	1941	5.94	91	...	...	93¾	92
Mont. Tr. "A"	5	1955	6.72	79	80¾	...	80¾	79½
Mont. Tr. G. & R. "B"	5	1955	6.75	...	...	...	79¾	78¾
Do., "C"	4½	1955	5.64	...	...	...	*85	84
Do., "D"	5	1955	6.62	79	...	...	81	78
N. S. Steel	5	1959	...	...	...	...	*62⅜	59
Ogilvie Flour "A"	6	1932	6.00	100	100	...	100	...
Do., "B"	6	1932	...	100	...	...	‡100⅜	100
Do., "C"	6	1932	6.00	100	...	...	100	...
Ont. Steel	6	1943	5.94	100½	...	...	100½	...
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Can.	6	1940	...	102½	...	...	*107½	106¾
Wayagamack	6	1951	...	†41	...	...	*75	45
Winn. Elec.	5	1935	5.12	†91	...	...	*99½	98¾
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Can.	6	1940	5.60	...	...	...	102½	...
Dominion Govt. Bonds (Montreal)								
War Loan	5	1937	3.44	106.25	....	....	107.00	105.00
Victory Loan	5½	1933	4.70	101.00	101.25	101.00	101.25	100.25
Do.	5½	1934	5.25	100.40	....	....	101.15	99.25
Do.	5½	1937	3.96	107.25	106.75	....	108.15	104.00
Do., refund	4½	1940	5.47	93.25	93.65	....	93.75	91.50
Do., refund	5	1943	5.25	97.50	97.65	....	98.25	95.38
Do., refund	4½	1944	5.33	91.75	....	....	92.25	89.50
Do., refund	4½	1946	5.27	91.75	....	....	92.25	....
Do., renewal	5½	1932	3.62	100.50	....	....	100.60	99.87
Conversion Loan	4½	1956	5.23	90.25	....	....	90.00	88.25
Do.	4½	1957	5.26	90.25	....	....	89.50	....
Do.	4½	1958	5.03	92.50	92.25	....	92.75	88.50
Do.	4½	1959	5.09	91.50	91.35	....	92.25	89.00
Nat. Service Loan	5	1936	5.29	98.50	....	....	98.00	96.25
Do.	5	1941	5.32	97.40	97.75	....	98.00	94.90

†Latest ask.
‡Quotations for 1930. *For 1931. None recorded in 1932 to date.

Winnipeg Grain Prices

Crop Year from Aug. 14 High	Low		Open Mar. 16	High for week	Low for week	Close Mar. 22
		Wheat				
.76½	.55½	May	.65½	.65½	.59½	.60⅜
.77⅞	.61½	July	.67	.67½	.61½	.62½
.72¾	.63	Oct.	.68⅜	.68¾	.63	.63⅞
		Oats				
.38	.28	May	.31⅞	.32	.30½	.30½
.37½	.30½	July	.31⅞	.31⅞	.30½	.30½
		Barley				
.47⅞	.32½	May	.42½	.42½	.39½	.39⅞
.45⅞	.38½	July	.42¾	.42¾	.39⅞	.40½
.43½	.38⅜	Oct.	....	.41½	.38⅛	.38½
		Flax				
1.21	.97½	May	1.03¾	1.04	.98½	.99⅞
1.16½	1.00	July	1.04½	1.04⅜	1.00	1.00
1.09¾	1.02½	Oct.	....	1.06½	1.02½	1.03
		Rye				
.59⅝	.32½	May	.51½	.51½	.46	.46⅞
.59	.43⅜	July	.52⅜	.52½	.47⅜	.48⅜
.55⅞	.49⅜	Oct.	....	.52¾	.49⅜	.50½

Foreign Exchange

	New York Funds High (Premium) %	Low %	Last Year High (Premium) %	Low %
March 16	12 1-16	11¾	1-32	1-64
March 17	12 5-16	11 15-16	1-32	1-64
March 18	12½	11¼	3-64	1-32
March 19	11⅞	11½	3-64	1-32
March 21	12	11⅜	3-64	1-32
March 22	12⅛	11⅜	1-32	1-64

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
March 16	3.62	3.93⅞	5.18
March 17	3.61⅝	3.93¾	5.17½
March 18	3.62½	3.93¾	5.17½
March 19	3.63⅜	3.93⅜	5.17¾
March 21	3.64½	3.92½	5.16¾
March 22	3.63⅞	3.92½	5.17½

FOREIGN EXCHANGE

Par		Mar. 8	Mar. 15	Mar. 22
5.26	Italian	5.77¾	5.80¾	5.79¾
23.80	German	26.46¾	26.65	26.65½
13.90	Belgian	15.44½	15.60½	15.60
49.80	Japanese	36.15	36.68	36.40

Stocks With Minimum Prices

Can. Canners, c.	8
Do., 1st pref.	80
Do., convert. pfd.	9
Dominion Bridge	27
East. Steel, com.	15
Do., pref.	97
Mont. Light, Heat	36
Nat. Breweries	24
Do., pref.	31
Ogilvie Milling	185
Ottawa L. H. & Pr.	100
Power Corp.	36½
Price Bros.	25
Do., pref.	70
Quebec Power	29
Shawinigan Power	33
Weston's, com.	38
Do, pref.	75
Windsor Hotel	10
Trust and Loan	
Canada Perman.	185
Central Can. Loan	295
Economic Invest.	32
Huron & Erie	139
Do., 20% paid	23
Landed Banking	145
National Trust	245
Ontario Loan	114
Real Estate Loan	105
Tor. Gen. Trusts	210
Tor. Mortgage	105
Union Trust	95
Banks	
Banque Canadienne	155½
Bank of Commerce	186
Dominion Bank	189
Imperial Bank	188
Bank of Montreal	215
Bank of N. S.	269
Royal Bank	211
Bank of Toronto	193

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo

Week to March 22

High *to date	Low		Close Mar. 15	High for week	Low for week	Close Mar. 22
		Wheat				
.72	.53¾	May	.60	.60⅜	.56½	.56½
.64½	.53¾	July	.61½	.61½	.58	.58½
.66½	.59¾	Oct.	.64	.64½	.59¾	.59¾

*Since trading opened March 3, 1931.

Mining Stock Quotations

Week Ending March 21.

Par Val.	Range 1932 High	Low	Company	Sales	Close Mar. 14 (or last)	High for week	Low for week	Close Mar.21
1	.05½	.04	Abana	......	.05	.....	.....	.....
1	.02	.01	Aconda	......	.01	.....	.....	.....
1	*.05½	.03½	Adrien	......	.04½	.....	.....	.....
No	.15	.15	Aldermac	......	.15	.....	.....	.....
1	.09	.04½	Alexandria	44,700	.07½	.07½	.06	.07
1	.01¼	.00¾	Algonquin	5,000	.01¼	.01	.00¾	.00¾
1	.01	.00¾	Amity C.	......	.00½	.....	.....	.....
No	.22	.14½	Amulet	3,007	.15	.15	.14½	.15
1	.00½	.00¼	Apex	2,000	.00½	.00½	.00½	.00½
1	.02½	.01	Area	......	.01½	.....	.....	.....
1	*.01	.00½	Argo. Cons.	......	.01	.....	.....	.....
No	.03	.01½	Arno	104,900	.02	.02½	.01½	.02½
1	.02½	.02	Astoria Rouyn	1,000	.02	.02½	.02	.02½
1	*.02	.00½	Atlas	......	.00½	.....	.....	.....
1	.07	.03½	Bagamac	18,400	.07	.07	.05	.06
1	.00½	.00½	Baldwin	......	.00½	.....	.....	.....
1	.12	.07½	Barry Holl. new	9,000	.12	.10	.07½	.07½
No	1.00	.75	Base Metals	......	.80	.....	.....	.....
No	*.04	.00½	Bathurst	......	.03	.....	.....	.....
5s.	*1.75	.60	B'Wana McKubwa	......	1.00	.....	.....	.....
1	*.28	.26	Ben Nevis	......	.27	.....	.....	.....
No	.12	.05	Bidgood	11,850	.05½	.05½	.05	.05
1	.16½	.09	Big Missouri	18,500	.11	.11	.09	.09½
1	*.05½	.04½	Blue Quartz	......	.04½	.....	.....	.....
1	.05½	.02½	Bobjo	12,900	.05½	.05½	.05	.05½
No	*.01	.00½	Boischatel	......	.01	.....	.....	.....
1	.08	.04	Brett Trethewey	1,000	.06½	.06	.06	.06
No	.03	.01½	Brownlee	6,400	.02½	.02½	.01½	.02½
1	.00½	.00½	Buckingham	......	.00½	.....	.....	.....
No	.36	.22	Buffalo Can	30,400	.35	.36	.33½	.34½
No	.02½	.01½	Bunker Hill	......	.02	.....	.....	.....
No	.01	.00½	Cal. Flin Flon	......	.01	.....	.....	.....
1	*.04	.01	Cambro Kirk	......	.04	.....	.....	.....
No	.03	.03	Canam Metals	1,500	.03	.03	.03	.03
1	.04	.01½	Can. Kirkland	500	.01½	.04	.03½	.04
1	.09	.04	Canusa	500	.05	.04½	.04½	.04½
No	.02½	.00½	Capital Rouyn	1,500	.00½	.00½	.00½	.00½
1	.04½	.02½	Cartier Malartic	1,000	.03½	.04½	.04½	.04½
1	.13	.12	Castle Trethewey	3,000	.12	.12½	.12½	.12½
1	.08	.05	Cen. Manitoba	5,800	.06½	.06½	.05	.05
1	.07½	.04	Cen. Patricia	1,000	.05½	.05	.05	.05
No	.07½	.05	Chibougamau Pros.	5,500	.05	.07	.05	.05
No	.01½	.01	Clericy	......	.01½	.....	.....	.....
5	3.00	1.50	Coast Copper	375	1.75	1.75	1.50	1.50
1	.02	.01	Cobalt Contact	8,000	.01	.01½	.01½	.01½
No	.16	.15	Cobue	2,500	.15½	.16	.15½	.15½
No	*.02	.00½	Col. Kirkland	......	.00½	.....	.....	.....
1	.08	.05	Columario	500	.06	.06½	.06½	.06½
5	.80	.75	Coniagas	300	.80	.80	.80	.80
No	.40	.30	Coniaurum	1,200	.30	.30	.30	.30
25	75.00	64.00	Cons. Smelters	1,033	70.50	70.50	66.50	67.00
1	*.40	.15	Cons. Venus	......	.40	.....	.....	.....
1	*.01	.00½	Corona	......	.00½	.....	.....	.....
1	.01½	.01½	Crown Reserve	......	.01½	.....	.....	.....
No	.10	.06½	Dom. Explorers	3,400	.08	.07½	.06½	.06½
1	*.03	.00½	Dom. Kirkland	......	.00½	.....	.....	.....
No	12.50	9.25	Dome Mines	3,595	11.50	11.80	11.00	11.10
No	*.33	.30	Donald Woolsey	......	.30	.....	.....	.....
1	.01	.01	Don Rouyn	......	.01	.....	.....	.....
1	.01	.00½	Dunkin	......	.00½	.....	.....	.....
1	*.02½	.00½	Duprat	......	.00½	.....	.....	.....
1	*1.55	1.05	Eldorado	32,040	1.31	1.31	1.22	1.24
No	1.05	.80	Falconbridge	635	.85	.85	.85	.85
1	.04	.02	Federal	10,000	.02½	.03½	.02½	.03
No	.00½	.00½	Flintoba	......	.00½	.....	.....	.....
No	.07	.04	Gem Lake	13,700	.04½	.04½	.04	.04
No	*.04½	.01½	Gilbec	......	.02	.....	.....	.....
1	.02	.01½	Goldale	5,000	.02½	.02	.02	.02
10	.11	.10	Goldfield	......	.11	.....	.....	.....
1	.00½	.00½	Gold Hill	5,000	.00½	.00½	.00½	.00½
1	.04	.02½	Goodfish	8,500	.04	.03½	.03	.03
1	.01	.00½	Graham	......	.00½	.....	.....	.....
No	1.25	.90	Granada	2,740	1.08	1.07	1.00	1.06
1	.22	.09	Grozelle	1,500	.10	.15	.15	.15
No	*.30	.29	Halliwell	......	.29	.....	.....	.....
1	.02½	.01½	Harker	7,100	.02½	.02½	.01½	.01½
1	.01½	.00½	Hilltop	35,500	.01½	.01	.00½	.00½
5	5.70	4.90	Hollinger	4,960	5.10	5.25	5.00	5.05
1	.36	.30	Howey Gold	6,200	.32	.32½	.31	.31
No	2.78	2.00	Hudson Bay	1,525	2.43	2.35	2.10	2.10
No	.20	.15	Huronian	......	.15	.....	.....	.....
No	11.00	8.50	Int. Nickel	9,206	9.00	9.50	8.87	9.50
1	.01½	.01	Jackson Manion	1,500	.01½	.01½	.01	.01
1	.23	.15	Keeley	80	.23	.20	.20	.20
1	.02½	.01	Keora M.	......	.01½	.....	.....	.....
1	.70	.40	Kirk. Hud. Bay	3,100	.65	.55	.51	.51
1	.02½	.00½	Kirk. Hunton	2,000	.01	.01	.01	.01
1	.55	.41	Kirkland Lake	8,100	.46	.48	.41	.41
1	.03½	.01½	Kirk. Premier	19,000	.02½	.02	.01½	.01½
1	.13	.08	Kirk. Townsite	3,500	.08½	.08½	.08½	.08½
20c	.01½	.00½	Koot. Florence	2,000	.00½	.00½	.00½	.00½
1	.01½	.00½	La Rose	......	.01½	.....	.....	.....
1	.35	.14	Lakeland	400	.15	.35	.14	.35
1	29.50	27.20	Lake Shore	1,855	28.70	29.00	28.50	29.00
1	.00½	.00½	Laval	2,000	.00½	.00½	.00½	.00½
1	.06½	.01½	Lebel Oro	24,500	.06½	.07	.04½	.05
1	.40	.29½	Macassa	26,800	.30	.39	.32	.38
1	.05	.02½	Malartic	4,000	.04	.04½	.04	.04½
No	.06	.04	Mandy	1,000	.04	.06	.06	.06
No	.01½	.00½	Man. Basin	......	.01	.....	.....	.....
1	.35	.26½	McKinley	......	.26½	.....	.....	.....
5	19.50	16.50	McIntyre	3,265	17.75	18.35	17.40	17.75
No	.09½	.03½	McLeod River	128,200	.06½	.07½	.06½	.07½
1	*.04	.04	McVittie	......	.04	.....	.....	.....
1	*.29	.03	Macmillan	......	.10	.....	.....	.....
No	1.43	.85	Mining Corp.	1,300	1.07	1.10	1.03	1.03
1	.08½	.03	Moffatt Hall	201,900	.04½	.04½	.03	.03½
1	.02½	.02½	Moneta	......	.02½	.....	.....	.....
1	*.00½	.00½	Mtl. Rouyn	......	.00½	.....	.....	.....
1	.40	.30	Moss	18,900	.38	.39½	.37	.37
1	.02½	.01	Murphy	4,500	.01½	.01½	.01	.01½
No	.03	.02	Newbec	6,500	.02	.02½	.02	.02
1	*.40	.25	Nevada	......	.25	.....	.....	.....
1	*.09	.02	Night Hawk	......	.02	.....	.....	.....
5	1.15	.80	Nipissing	1,920	1.00	1.00	.95	1.00
No	19.80	15.00	Noranda	55,006	18.50	19.80	16.80	17.25
No	.24	.17	Nor. Canada	......	.18	.....	.....	.....
No	.01	.00½	Old Colony	......	.00½	.....	.....	.....
1	*.01	.00½	Ophir	......	.00½	.....	.....	.....
1	*.10½	.02	Oriole	......	.02	.....	.....	.....
1	.08	.05	Osisko	......	.06	.....	.....	.....
1	.08	.08	Parkhill	......	.08	.....	.....	.....
1	.13½	.11	Patricia Dent	......	.13	.....	.....	.....
1	.02	.01½	Pawnee Kirk	3,000	.02	.01½	.01½	.01½
No	1.15	.85	Pend Oreille	300	.94	.95	.95	.95
1	.01	.00½	Pete. Cobalt	......	.01	.....	.....	.....
1	*.25	.18½	Phoenix Molybd.	......	.25	.....	.....	.....
1	*.01½	.00½	Picard	......	.00½	.....	.....	.....
1	4.10	3.10	Pioneer Gold B.C.	21,700	3.31	4.10	3.25	3.91
1	.05	.04	Pioneer	......	.04	.....	.....	.....
1	*.02½	.00½	Porc. Crown	......	.00½	.....	.....	.....
1	.02	.01	Potter Doal	6,000	.01½	.01½	.01½	.01½
1	*.45	.30	Powell Rouyn	......	.30	.....	.....	.....
1	.63	.45	Premier Gold	7,650	.58	.57	.45	.45
1	.00½	.00½	Preston E. Dome	......	.00½	.....	.....	.....
No	.30	.15	Prospectors Air's.	500	.30	.30	.30	.30
No	1.00	1.00	Quebec Pros.	200	1.00	1.00	1.00	1.00
No	.06	.04	Quemont	2,000	.05	.05	.05	.05
1	.02½	.01	Ribago	72,700	.02	.02½	.01½	.02½
1	*.34	.24	Rich. Rock	......	.33	.....	.....	.....
1	.02½	.01½	Ritchie	4,500	.02	.01½	.01½	.01½
1	.01½	.00½	Robb Montbray	1,000	.00½	.01	.01	.01
No	.42	.25	San Antonio	3,966	.40	.42	.35	.35
1	.09	.09	Seven Troughs	......	.09	.....	.....	.....
1	.65	.47½	Sherritt Gordon	7,051	.50	.50	.47½	.48
1	.70	.50	Siscoe	76,840	.69½	.70	.60½	.60½
1	.03	.01½	South Keora	......	.01½	.....	.....	.....
No	.02½	.01½	Stadacona	17,000	.01½	.01½	.01½	.01½
1	.17	.07½	St. Anthony	......	.10	.....	.....	.....
No	.45	.32	Sudbury Basin	1,100	.34	.35	.32	.32
1	.01½	.00½	Sudbury Contact	......	.01½	.....	.....	.....
1	.01	.00½	Sudbury Mines	500	.00½	.00½	.00½	.00½
No	*.04½	.01	Sudbury Nickel	......	.03½	.....	.....	.....
1	.11	.09	Sullivan	13,400	.11	.10½	.10	.10
1	.65	.52½	Sylvanite	9,700	.56½	.56½	.53	.53
1	.07	.02½	Tashota	6,500	.03	.02½	.02½	.02½
1	5.25	4.12	Teck Hughes	15,580	4.87	5.00	4.55	4.60
1	*.10½	.01	Telluride	......	.01	.....	.....	.....
1	*.01½	.01	Temiskaming	......	.01	.....	.....	.....
1	.03	.02	Thom. Cadillac	1,000	.02½	.02½	.02½	.02½
1	*.02½	.00½	Tough Oakes	......	.01	.....	.....	.....
1	.40	.25	Towagmac	......	.25	.....	.....	.....
No	2.50	1.01	Treadwell	130	2.00	2.35	2.00	2.35
No	*2.85	2.40	Tri-Metals	......	2.85	.....	.....	.....
1	.09½	.05	United Kirkland	......	.05	.....	.....	.....
1	.01½	.01	Vacuum Gas	......	.01	.....	.....	.....
No	.53	.41	Ventures	16,070	.44	.44	.41	.41
1	.17½	.14	Vickers	1,000	.15	.15	.15	.15
1	.45	.30	Vipond	3,250	.33	.35	.30	.35
No	1.00	.50	Waite Ackerman	150	.79	.56	.56	.56
1	*.02½	.01	West Tree	......	.01	.....	.....	.....
1	.07	.03	White Lake	2,500	.04½	.04½	.04½	.04½
1	*.06	.01½	Wiltsey	......	.01½	.....	.....	.....
No	*.01½	.00½	Windfall R.	......	.01	.....	.....	.....
	*.13	.03½	Wood Kirk	......	.04	.....	.....	.....
No	3.06	2.55	Wright-Hargreaves	15,230	2.78	2.75	2.65	2.65
			OIL STOCKS					
1	.19	.13	Acme	15,300	.13½	.14½	.13½	.14½
1	1.17	.90	Ajax	10,600	1.10	1.14	1.05	1.05
1	.12	.05	Alta. Pacific	900	.08	.08	.07	.07
1	.03½	.02	Askalta	......	.03	.....	.....	.....
No	.10	.04½	Associated	800	.05	.06	.05	.05
No	.04	.02	Baltac	......	.02	.....	.....	.....
	.05½	.00½	Benton	5,900	.01	.00½	.00½	.00½
1	*.07	.02	Black Diamond	......	.02	.....	.....	.....
1	.06	.04½	Brit. Dominion	......	.04½	.....	.....	.....
1	.09	.05	Calmont	400	.06	.05	.05	.05
No	.38	.25	Calgary & Ed.	1,600	.28	.28	.25	.25
1	.11	.07	Comm. Pete	1,700	.09½	.07½	.07	.07
No	*.29½	.26½	Crudome	......	.28½	.....	.....	.....
No	.20	.15	Dalhousie	2,685	.18	.16½	.15	.16½
No	.08	.01	Devenish	......	.01½	.....	.....	.....
No	.02	.00½	Dome Oil	1,000	.00½	.00½	.00½	.00½
No	.12½	.04	East Crest	2,100	.11½	.12½	.11½	.11½
1	.01½	.01½	Fabyan Pete	......	.01½	.....	.....	.....
No	.07	.07	Foothills	......	.07	.....	.....	.....
No	.03½	.02½	Freebold	700	.03½	.03	.02½	.03
1	.02	.00½	Great West	......	.00½	.....	.....	.....
No	.06½	.04	Hargal	900	.05	.06½	.06	.06
No	*.10	.03	Herron Pete	......	.03½	.....	.....	.....
No	.05	.04	High Sarcee	1,000	.04½	.04	.04	.04
No	.47	.23	Home	1,540	.25	.25	.24½	.25
No	.05	.03	Homestead	......	.03½	.....	.....	.....
1	.50	.24	Homest'd O.&G.	40,300	.46	.50	.44½	.45
1	.01	.00½	Illinois Alta	13,000	.00½	.00½	.00½	.00½
No	.02½	.00½	Lethbridge Pete	11,800	.00½	.00½	.00½	.00½
No	*.70	.10½	Lowery	......	.18	.....	.....	.....
1	.02	.01	Madison	1,000	.01	.01	.01	.01
1	.15	.13	Mayland	1,000	.14½	.14	.14	.14
No	.04	.03½	McD. Segur Ex.	......	.03½	.....	.....	.....
1	.04½	.03½	McD. Segur N.	......	.03½	.....	.....	.....
1	.50	.22	McLeod	60	.40	.37	.37	.37
No	.10½	.08	Mercury	4,600	.08½	.09	.08½	.08½
No	.08	.05	Merland	900	.05	.06	.06	.06
No	.15	.10	Mill City Pete	700	.13	.15	.11	.11
1	.20	.06½	Model	500	.18	.20	.18½	.19
1	.05	.04	Monalta	......	.05	.....	.....	.....
1	.07	.04½	Moose Mountain	......	.04½	.....	.....	.....
1	.01	.01	New Federal	......	.01	.....	.....	.....
5	.14	.05	Nordon	18,000	.06	.07½	.05	.05½
No	.04½	.02½	Oil Selection	3,000	.03	.03	.02½	.03
No	.05	.04	Okalta	......	.04	.....	.....	.....
100	15.00	15.00	Do., pref.	......	15.00	.....	.....	.....
No	.20	.12	Olga Gas & Oil	1,000	.14½	.14	.14	.14
No	.06½	.02	Penn Pete	30,700	.03½	.04	.03	.04
1	.28	.17	Petrol	1,000	.20	.20	.20	.20
No	.14	.09	Ranchmen's	......	.12	.....	.....	.....
1	.01	.00½	Regent	......	.00½	.....	.....	.....
No	.02½	.01½	Richfield	......	.02	.....	.....	.....
No	6.65	5.50	Royalite	204	5.75	6.00	5.70	5.75
1	.12	.05	Sarnia Oil	9,000	.07	.12	.07	.10
1	.03	.01½	Signal Hill	......	.02½	.....	.....	.....
No	*.27	.05	South West Pete	......	.10	.....	.....	.....
1	.20	.17	Spooner	150	.17	.19½	.19½	.19½
No	.11	.06	Sterling Pacific	100	.07	.07	.07	.07
No	.11	.07½	Turner Valley	......	.07½	.....	.....	.....
No	.08	.06	United	......	.06	.....	.....	.....
1	.09½	.08	Vulcan	......	.08	.....	.....	.....
No	.02	.00½	Wainwell	......	.00½	.....	.....	.....
1	*.28	.08	Waite Valley	......	.08½	.....	.....	.....
			VANCOUVER STOCK EXCHANGE (Transactions for Week to March 16)					
25c	.00½	.00½	Bayview	......	.00½	.....	.....	.....
20c	.05	.03½	Beaver Silver	2,000	.04½	.04½	.04½	.04½
25c	.02½	.02	Bluebird	......	.02	.....	.....	.....
1	.12½	.07	Bridge River Cons.	34,000	.07½	.07½	.07	.07
1	*.80	.40	B.C. Silver	......	.40	.....	.....	.....
25c	*.02	.00½	Cork Province	......	.01	.....	.....	.....
1	.13	.06	Cotton Belt	6,800	.08	.13	.08½	.08½
1	*.03	.02	Dalhousie Mines	......	.02½	.....	.....	.....
1	*.04	.02	Dunwell	......	.02	.....	.....	.....
1	*.10	.02	Duthie	......	.02½	.....	.....	.....
1	.45	.45	George Copper	......	.45	.....	.....	.....
50c	.01½	.01½	Geo. Enterprise	......	.01½	.....	.....	.....
1	.04½	.02½	Georgia River	12,200	.03½	.03½	.03	.03
1	.24	.20	Golconda	300	.20	.20	.20	.20
50c	.08	.05	Grandview	10,000	.06	.05½	.05	.05
25c	5.25	5.25	Heclo Mining	......	5.25	.....	.....	.....
No	*27.50	15.00	Howe Sound	......	21.35	.....	.....	.....
1	.11	.09	Intern. Coal	......	.11	.....	.....	.....
1	.01	.01	Independence	......	.01	.....	.....	.....
1	.01	.01	Indian Mines	......	.01	.....	.....	.....
1	.21	.21	Jack Waite	......	.21	.....	.....	.....
25c	.00½	.00½	Kootenay King	......	.00½	.....	.....	.....
25c	*.02	.00½	L. & L.	......	.02	.....	.....	.....
1	.19½	.13½	Lorne Gold	53,600	.14½	.16	.14	.15½
1	*.12	.12	Los Ang. Van.	......	.12	.....	.....	.....
10c	.02	.02	Lucky Jim	......	.02	.....	.....	.....
2.50	*.01	.00½	Marmot Gold	......	.01	.....	.....	.....
5c	.12	.08	Metaline Metals	1,000	.11½	.11½	.11½	.11½
1	.03	.01½	Morton Woosley	2,500	.01½	.01½	.01½	.01½
50c	.03	.02	National Silver	19,500	.02½	.02	.02	.02
50c	.08½	.04	Noble Five	4,500	.04	.04½	.04	.04
50c	.01	.01	Oregon Copper	......	.01	.....	.....	.....
1	4.10	3.25	Pioneer Gold	1,550	3.40	3.40	3.35	3.35
No	.01	.00½	Premier Border	......	.00½	.....	.....	.....
50c	.08½	.05½	Porter Idaho	1,000	.05½	.05½	.05½	.05½
No	.28	.20	Reeves McDonald	......	.24	.....	.....	.....
1	.27½	.21½	Reno Gold	14,250	.26½	.27	.26	.26
1	*.04	.01	Rufus Argenta	......	.01	.....	.....	.....
1	.05	.04	Ruth Hope	......	.04	.....	.....	.....
1	.03½	.02½	Silverado	500	.03½	.03½	.03½	.03½
25c	.02	.01½	Silver Crest	1,000	.01½	.01½	.01½	.01½
50c	.01½	.00½	Snowflake	......	.01	.....	.....	.....
1	*.45	.25	Sunloch	......	.25	.....	.....	.....
50c	*.02	.01	Topley Rich	......	.02	.....	.....	.....
20c	.02½	.01	Wellington	......	.01	.....	.....	.....
1	.04	.04	Whitewater	......	.04	.....	.....	.....
No	.00½	.00½	Woodbine	8,500	.00½	.00½	.00½	.00½

*Quotations for 1931

DIVIDEND PAYERS

	Rate	Yield
Ajax Oil	36	....
Cons. Smelters	$2.50+a	3.73
Dome Mines	$1	9.00
Hollinger	65c.+5	13.86
Howe Sound	$1	....
Lake Shore	$2+50c.	8.62
McIntyre	$1	5.63
McLeod Oils	5c.	....
Noranda	50c.	2.89
Premier	12c.	....
Pioneer, B.C.	12c.	3.06
Royalite	50c.	....
Siscoe	4c.	....
Sylvanite	4c.	....
Teck Hughes	60c.	13.04
Wright-Har.	10+2½c.	4.71

a. Stock bonus 1 share for each 20 shares held.

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The Protective Association of Canada

Balance Sheet as at 31st December, 1931

Assets

Cash in Bank and on Hand		$ 43,938.63
Agents' Net Balances for Outstanding Premiums		17,583.12
Investments:		
Bonds and Debentures at Book Value (Approximate value as allowed by the Department of Insurance $260,000.00.)	$265,794.99	
Accrued Interest	3,102.62	
		$268,897.61
Office Furniture—Less Depreciation		2,242.91
		$332,662.27

Liabilities

Claims Outstanding—Known or reported Proof not fyled:		
Accident	$ 18,157.68	
Sickness	24,908.40	
Reserve for Claims originating in 1931—not reported	10,000.00	
		$ 53,066.08
Accrued Salaries		2,775.00
Reserve for Taxes		10,000.00
Reserve for Unearned Premiums—100%		83,426.35
Capital and Surplus: Capital—Authorized $500,000.00		
Issued fully paid	50,000.00	
Surplus	133,394.89	
		183,394.89
		$332,662.27

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Canadian Mining News

WAITE-ACKERMAN REPORTS SEASON OF GLOOMY WORK

Most Active Year Adds But Little to Known Ore Reserves

Fifth annual report of Waite-Ackerman-Montgomery Mines, developing a copper property in the Rouyn area, Quebec, reflected the most active one yet in exploration activity, with no production taken except ore encountered in development work. Despite this unusual development work involving an expenditure of $193,220, including depreciation on equipment, the ore reserves increase was small, totalling 20,840 tons.

The principal development work consisted in sinking the main shaft from the 700 ft. to the 1,000 ft. horizon and conducting lateral work on the 500, 600 and 700 ft. levels. A raise was also well under way from the 700 ft. level to the surface which will serve as a duplicate exit, or it may be converted into a main production shaft if conditions warrant.

In reporting on mine development, for the year ended December 31, 1931, R. V. Porritt, mine manager, made the following observations:

"Work to date has shown all orebodies to lie in roughly vertical succession within a comparatively small area. The ore system is apparently related to a persistent fault which in most cases forms the north-west boundary of the individual orebodies.

"Drifts were driven on this fault for about 1,800 ft. to either side of the ore zone on the 300 and 700 ft. levels, and the underlying ground was explored by diamond drilling in the hope of finding other mineralized zones occurring under similar conditions. Crosscuts were also driven north-west and south-east on the 700-ft. level, and similar parallel faults which were encountered were explored in the same manner. This work was productive of very little encouragement."

The estimated ore reserves on December 31, 1931, were 467,350 tons averaging 6.08 per cent copper and 300,000 tons averaging 11.52 per cent zinc.

From development work 1,011 tons of ore was shipped, which assayed $1.95 in gold, .51 ounces of silver, 11.28 per cent copper and .3 per cent zinc per ton. The recovery value of this ore was $7,753. Miscellaneous income totalled $23,163. Administration and general expenses were $12,564.

The cash position of the company remains adequate for the programme under way with current assets totalling $214,209. Current liabilities total $22,684, leaving a net working capital of $191,525 as compared with $46,426 at the end of 1930.

The annual meeting is called for April 7, in Toronto.

BRETT TRETHEWEY HAS ENCOURAGING SEASON EXPLORING

Fourteen Veins Found on Swayze Claims Over 4,000 Feet

Fourth annual report of Brett Trethewey Mines for the year ended December 31, 1931, reflects a busy season of exploration for the company with results that are distinctly encouraging.

The company, which is engaged in exploration activities, had three parties in the field last year, the financing of which was equally shared by Brett Trethewey, Northern Canada Mining Corp. and Northland Prospectors. In the Pascalis area in Quebec, ten claims were staked from which encouraging gold assays were obtained. In Swayze township, Ontario, what promises to be an important gold discovery was made in September and 16 claims were staked in that area. A party has been continuously engaged in developing the find under the direction of E. T. Corkill, consulting engineer, who reports on the developments at the end of the year as follows:

"Our work has shown that the quartz veins are found in well defined breaks, striking approximately N. 70 deg. E. and dipping 50 deg. to 70 deg. southeast. We have so far found about fourteen main veins, though a number of these are probably a continuation of the same vein. The veins are in greenstone with porphyry intrusions cutting the formation from the south. It would appear from our work to date, that we have a belt of fracturing 600 to 800 ft. wide, extending from No. 1 vein on claim 20,706 to No. 5 vein on claim 20,716, a total distance of 4,000 ft. As the westerly extension passes under the lake on claim 20,706 and No. 1 vein at the east end of the lake is strong and shows fair gold values, it is only reasonable to expect that this belt extends westerly another 1,000 ft. at least. This gives us roughly a belt 5,000 ft. in length and 600 to 800 ft. in width to thoroughly prospect.

The balance sheet shows current assets of $38,532 as against current liabilities of $4,974 leaving a working capital of $33,557. During 1931 income from investments totalled $1,536 while expenditures on prospecting and administration totalled $6,099 including write-offs of $1,639. The outstanding capitalization is unchanged from the previous year, standing at 1,820,000 shares issued out of the authorized capitalization of $3,000,000.

MAYLAND OIL LOSS SHOWN AT $13,985

Liabilities Reduced From $137,430 to $85,207 at Year End

Annual report of Mayland Oil Co. for the twelve months ended December 31, 1931, shows a loss of $13,985 after write-offs of $102,151. This compares with a statement for the thirteen months' period ended June 30, 1931, and, therefore, overlaps six months of the period under review. The net profit in the previous period was shown at $157,367 after write-offs of $98,488. With the two periods overlapping for six months, just comparison of earnings can be made. The loss, it is deduced, occurred from June 30, 1931, to December 31, 1931. The balance sheet discloses current assets totalling $5,697 on December 31 as compared with $4,135 on June 30 last. Current liabilities were reduced on December 31 to $85,207 as compared with $137,430 on June 30. The No. 4 well was abandoned after an expenditure of $82,520, making up a large percentage of the loss incurred during the last six months of 1931.

Production figures from the company's wells in the Turner Valley are now shown, but shipments to the Imperial refinery in Calgary totalled 104,956 barrels of crude and discolored naphtha as compared with 49,685 in 1930. During the closing months of 1931 there was a steady decline in the production marketed. June showed the highest monthly output marketed with 12,863 barrels.

The annual meeting of the company is called for March 31 in Calgary.

Rising Burden of Taxes Real Menace to Mining

Total Direct Tax Levies Will Swallow Up 28 Per Cent of Net Income of Gold Mine — Australia's Experiences Prove High Taxes Kill Industry

By B. F. TOWNSLEY
Mining Editor, The Financial Post

Coincident with the appearance of the annual statistical reports of the Provincial and Federal Departments of Mines, reflecting the greatest production and exploration activity in the history of Canadian gold mining, there are tabled the budgets of the governments projecting higher corporation taxes.

While these new taxes are not solely applicable to gold mining operations, the repercussions of additional taxation promise to disturb the equanimity of this growing industry. Gold production in Canada has been rapidly ascending, thanks to the lure added by the declining output in other countries and gold's increased value due to economic conditions.

As gold mining is about the only expanding enterprise being conducted in Canada at the present time the burden of additional taxation is not to be lightly considered. Canada needs its gold mines and it needs more gold mines. These it cannot have if it taxes them out of existence. As in most other branches of mining increased cost of production cannot be passed on to the consumer, for prices of metal are fixed internationally, while gold has the universal base price of $20.67 per ounce. Most industries pass increases in the cost of production along to the consumer.

Industries Protected by Tariffs

Mining has been one industry that Canadian governments have manifestly been anxious to foster. In the twenty years since the Porcupine camp demonstrated its importance, governments have been sympathetic, with the result that real progress has been made, culminating in the greatest gold output in the history of the Dominion in 1931. While Canada's other industries are given increased protection by way of tariffs in these times of economic strife, mining should suffer increased taxation without the possibility of enjoying protective measures.

Last year the Federal Government increased its business profits tax from eight to ten per cent and the new budget shortly to be brought down is expected to provide for a further increase to 12½ per cent. An analysis of how corporation taxes affect an Ontario mine producing profits of $1,000,000 annually is exemplified in the following case:

CORPORATION TAX SCHEDULE

	Prior To 1931 Budgets	After 1931 Budgets	After 1932 Budgets
Operating earnings	$1,000,000	$1,000,000	$1,000,000
Less:			
Corporation exemption	2,000	2,000	2,000
Depletion exemption 50 per cent	500,000	500,000	500,000
Amount assessable	498,000	498,000	498,000
Federal corporation tax	39,840	49,800	62,250
Ontario corporation tax	......	......	4,980
Total corporation tax	39,840	49,800	67,230
Increase per cent	......	25%	68%
Taxes per cent of net profits after depletion	7.96%	9.98%	13.44%

Mining Taxes Are Additional

The above survey of taxes is only a start, as in addition there are the Ontario mining tax, tax on mill investment, the tax on earned surplus, the tax on non-operating income, the municipal taxes on shops and houses not directly engaged in gold production, and also the tax on non-operating income. The federal government also levies a tax on non-operating income.

Just how this works out in the case of the mine with an operating profit of $1,000,000, described above, will be shown.

Assume that the mine has $1,000,000 invested in a mill, $100,000 in shops and staff houses, and produces $3,000,000 in gold annually. Assume that it also has a non-operating income of $150,000 from its earned surplus, maintained at $3,000,000 as necessary for working capital and contingencies.

In this typical case the taxes in addition to those tabulated above would work out as follows:

ADDITIONAL TAXES

	Prior To 1931 Budgets	After 1931 Budgets	After 1932 Budgets
Ontario			
Mining tax	$ 29,700	$ 29,700	$ 29,700
Corporation tax on mill	......	1,000	1,000
Corporation tax on earned surplus	......	3,000	3,000
Total, Ontario	29,700	33,700	33,700
Municipal			
Shops, houses etc.	5,000	6,000	6,000
Non-operating income	7,500	9,000	9,000
	12,500	15,000	15,000
Federal			
Non-operating income (not incl. in corp. tax)	12,000	15,000	18,750
Total additional taxes	55,200	63,700	71,450
Total corporation tax as above	39,840	49,800	67,230
Grand total tax	$95,040	$113,500	$138,680
Total taxes, per cent of net profits after depl.	19%	23%	28%

Other Levies Are Also Paid

Even this line-up of taxes does not represent all the taxes paid by the gold producers. In addition there are the indirect taxes such as workmen's compensation, duty on equipment, supplies, etc.

With taxes in excess of 28 per cent of the net operating earnings of the mines, mining companies feel that they are burdened unduly. Taxes are becoming a menace that will destroy confidence in gold mining enterprises, and will retard the development so urgently needed if gold production is to keep pace with industrial expansion of the Dominion.

Australia Bonusing Gold Production

In Australia excessive taxation played an important part in destroying the incentive to explore for and produce gold. The mistake was realized after it was too late and now that country is bonusing the production of gold at the rate of one pound Australian currency per fine ounce in excess of the average of production of 1928, 1929 and 1930.

Overtures have been made to English capital to invest in Canadian mining enterprises, by both Hon. Chas. McCrea, Minister of Mines for Ontario, and the Hon. Howard Ferguson, high commissioner in London, on the basis of the opportunities offered and the sympathetic support offered by the Government by way of tax stability.

Having regard for the hazardous nature of gold mining and for the prospecting for gold, it is imperative that its production offer prizes commensurate with these risks, in order that there be the greatest incentive to develop the industry.

Depletion Allowance Low for Gold Mines

G. R. Mickle, mine assessor of Ontario, who has made an intimate study of mine taxation, said in an address before the Canadian tax conference in October, 1927, that the estimated cost of producing a dollar's worth of gold was between 80 and 90 cents, having regard for prospecting, exploration, pre-development and the expenditures on non-operating mines and claims. It is therefore apparent that the present 50 per cent allowance for depletion is far from adequate. It has been the history of Ontario gold mines that but a few have returned to their shareholders the original capital invested. Take the case of Vipond, in the Porcupine district. Here is a mine that has been operating for nearly 20 years and has paid but $67,000 back to its shareholders. Many times this amount has been spent in taxes. Furthermore, should it reach a profitable basis no allowance will be made under existing laws for the losses incurred during the past 20 years to be deducted before profits taxes are paid.

Fear Lower Wage Scales

If taxes on the mines are to be increased to the point where they cut deeply into net revenue, there will have to be a drastic revision of outgo in some other direction. Either it will have to come through a reduction in dividends to investors or in wages to employees—or both. Because the return to shareholders already averages so little—taking the mines by and large—that the incentive to further speculation and investment is less than it should be, reductions in dividends would hamper gold development. Nor is the prospect of lowered wages to mining employees any more promising. The mines of Northern Ontario have, over a term of years, attempted to stabilize wages. The utmost harmony has prevailed, despite the large number of foreign workers who are constantly being subjected to communistic propaganda. The mines have been loathe to reduce wages because the scales did not rise materially when the cost of living was higher. Lowered wages could be achieved only at the risk of serious labor trouble which would certainly not be a good thing for Canadian gold production.

Moss Gold Mines First Brick Soon

At the annual meeting of Moss Gold Mines held in Montreal on March 17, it was announced that the first gold brick from the company's property, since inauguration of production a few weeks ago, is to be run shortly.

The meeting was routine in nature and the existing board of directors and officers was re-elected for the ensuing year.

Index to Mining Stocks

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 59.6 for the week ending March 17, as compared with 58.4 for the previous week.

Eleven gold stocks rose from 58.2 to 58.7, four gold-copper stocks from 63.9 to 67.9, and five silver and miscellaneous stocks fell from 22.3 to 21.9.

TOWAGMAC ADDS TO ITS HOLDINGS IN SUBSIDIARIES

Francoeur Claims Interesting — Lake Geneva Awaits Metal Prices

Sixth annual report of Towagmac Exploration Co., which operates as an exploration and holding company, for the year ended December 31, 1931, shows that progress was made by at least two of its subsidiary interests. The Aldermac mine, in which the company has over 70 per cent interest, came into production while the Bell Thompson Syndicate in which the company has a 66 per cent interest, has approximately $100,000 worth of gold-bearing ore indicated on its Francoeur group of claims.

At the Francoeur property, comprising about 1,000 acres in Boischatel township, Quebec, additional acquisitions give these claims approximately one mile along the Francoeur vein system. Diamond drilling and surface work has established the existence of a vein system containing at least two veins, the report says. The small amount of work done indicates about $100,000 gold-bearing ore above the 100 ft. horizon, averaging $7.50 per ton over a length of 120 ft. and a width of 13 ft. It is the intention of the company to develop these claims further during 1932.

At the Lake Fortune Mining Co. property in Boischatel township, Quebec, in which Towagmac owns 52 per cent interest, efforts are being made to secure additional funds with which to conduct further development work.

The Lake Geneva Mining Co., owning a zinc-lead-silver property in the Sudbury district, in which Towagmac owns 52 per cent interest, completed the construction of a 100-ton concentrator in 1931 but has deferred operations until such time as there is an improvement in the base metal market.

The balance sheet shows current assets as at December 31, 1931, of $5,079. Current liabilities total $622.

Minority interests of Towagmac include six per cent interest in the Arntfield Mining Synd, developing a gold property in the Rouyn area, Quebec, also 4.3 per cent interest in the Nichols Engineering & Research Corp., of New York. This company, along with Towagmac, is interested in the Sulphide Research Corp. which controls the Freeman pyrite burning system which utilizes the pyrite produced at the Aldermac mine.

The balance sheet of Towagmac, as at December 31, 1931, showed current assets of $114,071 as against current liabilities of $58,228. This is in addition to its share holdings in subsidiary companies.

The annual meeting of the company is called for April 9, in Montreal.

FALCONBRIDGE HEAD TALKS EXPANSION

Sales Increasing to More Than Present Production

At the annual meeting of Falconbridge Nickel Mines held in Toronto on March 17, Thayer Lindsley, president of the company, said at the present time there was over $250,000 in the bank as compared with $114,191 at the end of December.

During 1931 the European sales agents of the company sold 1,600 tons of nickel, but new customers on this side of the water have been added, which are expected to consume as much again, or a total in excess of the current production. In 1932 the nickel sales can be taken care of by the inventory, but should the demands in 1933 continue in the same degree, it is expected they will have to be met by an expansion programme.

The company's liquid position is such that the required expansion could be taken care of without additional financing.

The meeting was largely routine in nature and the existing board of directors and officers were re-elected for the ensuing year.

C. N. R. Parlors, Sleepers Carried 921,095 in 1931

From Our Own Correspondent

MONTREAL.—Sleeping and parlor cars of the Canadian National Railways System in 1931 carried 921,095 passengers at an average revenue per passenger of $2.42. The accommodation was allotted as follows: seats in parlor and sleeping cars, 434,885; upper berths, 73,986; lower berths, 323,039; drawing rooms, 11,848. compartments and chambrettes, 14,374.

Over 1,000,000 meals were served to passengers during the year, a decrease of 385,000 compared with 1930. Average revenue for each meal amounted to $1.05, compared with $1.12 per meal in the previous year.

Great Bear Lake Area Is Mecca of Explorers, Advance Guard is Away

Aeroplane Transportation Companies Ready For Big Season

HISTORY RECALLED

Conclusive Knowledge of Area's Possibilities Assured By Work This Season

The eyes of the mining world of the North American continent are being focused on Great Bear Lake as the advance guards of many mining organizations leave for the new district.

Dr. D. F. Kidd of the geological survey, Ottawa, who was in the field last year has left to again take up his study of the Echo Bay rocks.

Aeroplane transportation companies expect to do a thriving business this season to the area. The older and established organizations, such as Canadian Airways and Spence McDonough Air Transport are already well booked up and have planes stationed at Fort McMurray for serving the area, while some of the smaller aeroplane transportation companies are busy, and new companies formed are busy soliciting business. Edmonton is agog with activity, being the central point for embarkation. From this point the popular route is over the Northern Alberta Railway to Waterways, the end of steel and Fort McMurray, the water navigation headquarters of the Athabaska River. For those who do not fancy the bi-weekly mail service from Edmonton to Waterways, involving a 24-hour journey for its 305 miles, aeroplanes are available at Edmonton.

Transportation Costs Reduced

With the opening of river navigation a less expensive but comfortable route involving a three weeks journey is afforded by Hudson Bay Co. river boats from Fort McMurray down the Athabaska to Lake Athabaska, thence down Slave Lake across the Great Slave Lake and down the MacKenzie River to Fort Norman; from this point the water route follows up the Great Bear River through Mount Charles rapids, navigable to small boats to Port Franklin. Plans are being considered to provide a tractor road around these rapids.

From this point the lone Boland sloop provides transportation to Echo Bay and various points on the lake. A combination air and water route, at an expense midway between the two, is afforded those who choose water navigation to Rae on the north arm of Great Slave Lake. From this point it is a 250-mile air journey to Echo Bay.

Official figures for transportation costs from Waterways by water route to Echo Bay have been established at $320 per ton this year. An alternative and combination water and air route, with water to Rae and by air from there to Echo Bay, has been established at $440 per ton. No final rate has been established from Echo Bay to Fort McMurray, but the preliminary estimate places this at $160 per ton for the all water route.

The government radio station at Hunter Bay is to be removed to Echo Bay, that the world may be kept informed of developments there.

Eldorado Plans Laid

The programme of development during the coming season by Eldorado Gold Mines promises to eclipse all others. The party of two, left at the property last fall, will be reinforced in a few days by the first members of another party going in by 'plane. Other well-known organizations proposing to do the work in the area next summer, include McIntyre-Porcupine Mines, Bobjo Mines, McVittie-Graham Mines, Kirkland Lake Gold Mining Company, Northern Canada Mining Corp. and Great Bear Development Co., which has had its property taken over by Silveradium Mines Syndicate, and which will have its work directed by John A. Reed, consulting engineer. Consolidated Mining & Smelting Co. expects to increase its exploration activities in the area during the year, as do Ventures Ltd., and Dominion Explorers. Newly-formed syndicates at present planning to do work, include Sun Bear, Polar Bear Mines, Circle Minerals, Silver Bear Mines, Contact Lake Mining Co., Great Bear Lake Mines and, in addition, several groups from the United States.

First Mentioned in 1714

Interest in the area recalls the observation of mineral occurrences made by the earliest explorers into the Northwest Territories. In 1714, Jeremie headed an expedition into the area to establish fur-trading posts and recorded the presence of minerals. Further observations of mineralization were made in 1717 by R. Norton, by the Knights in 1719, by Scroggs in 1722, Middleton in 1741 and by Samuel Hearne in 1770-72. These fur traders and explorers were not trained geologists and their observations were necessarily of a superficial character. The Franklin expedition in 1820, accompanied by Dr. Richardson, a geologist, explored part of the area and his report was the first on the geology of the country, although previous explorers had supplied sketch maps of different parts of the area but little geological information. The first detailed exploration and geological study was made in 1879 by Dr. R. Bell who was followed in 1893 by Dr. J. B. Tyrrell.

Yukon Rush Aids

With the discovery of gold in the Yukon in 1896 and the rush two years later, the Northwest Territories attracted attention. A number of parties started for the Yukon by way of Great Slave Lake and the Mackenzie River, but never reached their destination. Instead they spent time prospecting en-route. It is to these prospectors that the finding of the lead-zinc deposits about 13 miles from Pine Point, Great Slave Lake, can be attributed. About the beginning of the present century copper showings were also staked on the east end of this lake but the claims were permitted to lapse. In 1910 lead-zinc claims south of Pine Point were staked which today form part of the holdings in the area by Consolidated Smelters. The first gold discovered reported was in quartz on Wilson Island, Great Slave Lake, near Resolution, on which preliminary work was conducted up to 1926.

Interest in Coppermine

Interest in the Coppermine River area, which had formed the objective of some of the earlier explorers, was revived in 1911 when George Douglas accompanied by Dr. Sandberg, a geologist, conducted a private expedition into the area. This was followed by an expedition between 1913 and 1916 to which Dr. J. J. O'Neil was attached, when a thorough investigation into copper bearing rocks along the Arctic coast and the Coppermine River to the northwest was made. Due largely to Dr. O'Neil's recommendation the Coppermine Mineral Reserve was established by an order-in-council in December 1918. This reserve was thrown open for prospecting in July, 1930, and is indirectly responsible for the finds made in Echo Bay on Great Bear Lake by the LaBine party in 1930. It was returning from exploring the copper showings near the mouth of the Peace River that attention was first attracted to the mineral veins at Echo Bay.

Dr. J. M. Bell Report

In 1900 Dr. J. Macintosh Bell, accompanied by Dr. Charles Camsell, deputy minister of mines, Ottawa, were windbound in Echo Bay for two or three days and in the report made of this expedition attention was called to the district as being favorable for prospecting. Although this area was known for nearly two centuries as being mineralized and definite knowledge of interesting mineralization on Echo Bay has existed for over 30 years it remained for the LaBine find at LaBine Point, Echo Bay, in 1930 to touch off what promises to be one of the biggest mining rushes in the history of the Dominion.

Fuel and Transportation

Fuel and transportation offer the principal difficulties at the present time to the development of the area. Transportation is easy for the prospector by aeroplane but fuel is a problem yet to be solved. In this connection it is interesting to note that in 1919 the Imperial Oil Co. carried out a preliminary investigation of the oil potentialities of the Mackenzie river and brought two wells into production on the banks of the Mackenzie about 42 miles north of Fort Norman, at the junction of the Great Bear River. These wells had an initial production indicated of about 100 barrels per day each, but there being no market they have been capped for many years awaiting trade.

To Test Wells

Early this month the Imperial Oil Co. arranged to dispatch one of its engineers by aeroplane to Fort Norman to inspect these wells and report. Several years ago a small cracking plant was installed at Fort Norman but this has been out of service for about seven years and it is now proposed to make a report on whether it could be utilized as a source of supply for gasoline and crude oil for power and fuel requirements. It is expected that Imperial Oil will have information within six weeks' time which will enable it to decide whether production from these wells can be used.

Water power sites abound on streams flowing into Great Slave Lake while small rapids in the vicinity of Great Bear Lake offer possibilities for water power development.

Granby Omits Dividend Pays Total $18,308,729

The Granby Consolidated Mining, Smelting & Power Co. has passed its dividend formerly due on May 2.

The quarterly disbursements in August and November, 1931, were at the rate of $1 per annum, a reduction from $2 per annum paid in February and May of that year.

The company was a continuous dividend payer from 1903 to 1920, when dividends were passed after a total distribution of $10,339,454. In 1927 dividends were resumed as a capital distribution, at one per cent, or $1 per share; $3 per share in 1928; $7 per share in 1929; $5.25 in 1930 and $1.50 in 1931; or a total capital distribution of $7,969,217, making total return to shareholders of $18,308,729.

Declining profits due to uncertain conditions in the copper market are responsible for dividends being passed.

Dominion Mines Output Valued at $227,456,365

Gold and Platinum Metals Show Big Increase But Total Decline 18.7 Per Cent From Previous Year

The preliminary report of the Dominion Bureau of Statistics gives the value of minerals produced from Canadian sources in 1931 as $227,456,365 as compared with $279,873,578 in 1930, or a decline in value of 18.7 per cent.

Three precious metals, gold, palladium group, and platinum, showed substantial increases over the 1930 production. The gold output was the most significant with an increase in quantity and value of 28.2 per cent representing a value increase of $12,261,519, due principally to the increased output from Ontario mines. The palladium group of metals increased 37.6 per cent in quantity or a value increase of $321,850. Platinum production increased 31.5 per cent in quantity and $52,569 in value. The total decline in trade in metallic mineral production in 1931 was 16.9 per cent.

In the non-metallic group petroleum alone showed an increase amounting to one per cent in quantity and a loss in value of 15.4 per cent, making a loss in value for the non-metallic group of 19.9 per cent. In the other non-metallic minerals, the decline in 1931 was 28.7 per cent in value, principally made up by a 42.6 per cent decline in the value of the asbestos production. Clay products declined 26.3 per cent in value from the 1930 production owing to the general decline in building construction. Other structural materials, such as cement, lime, sand, slate and stone, declined 17.5 per cent.

As will be seen from the following tabulation, the total value of the metallic minerals was over half the value of all the mineral production in the Dominion.

Declining base metal prices were responsible for the decline in metal production more than restricted production. Although there has been a deterrent effect on the output of most commodities, yet the activities and production of the Canadian mining industry have shown remarkable stability. Looking back over previous years' output it was found that 1925 was the latest year that the mineral output had a lower value than 1931, and although the value in 1925 was lower, the output in 1931 was far greater.

The following is a tabulation of production by groups and provinces:

1931 MINERAL PRODUCTION

		Nova Scotia	New Brunswick	Quebec	Ontario	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Canada
Metallics:											
Arsenic	lb.	......	......	......	......	......	......	......	......	......	......
	$	......	......	......	150,993	......	......	......	......	......	150,993
Bismuth	lb.	......	......	......	7,331	......	......	......	110,876	......	118,207
	$	......	......	......	3,532	......	......	......	154,118	......	157,650
Cadmium	lb.	......	......	......	......	......	......	......	323,139	......	......
	$	......	......	......	......	......	......	......	180,958	......	180,958
Cobalt	lb.	......	......	......	521,051	......	......	......	......	......	521,051
	$	......	......	......	651,179	......	......	......	......	......	651,179
Copper	lb.	......	......	69,225,430	112,892,826	45,821,432	......	......	65,214,967	......	293,154,655
	$	......	......	5,794,169	9,097,203	3,835,254	......	......	5,458,493	......	24,185,119
Gold	oz.	460	......	300,877	2,085,818	102,969	......	195	160,594	44,306	2,695,219
	$	9,509	......	6,219,679	43,117,684	2,128,558	......	4,031	3,319,773	915,886	55,715,120
Titaniferous ore	tons	......	......	1,509	......	......	......	......	......	......	1,509
	$	......	......	10,261	......	......	......	......	......	......	10,261
Lead	lb.	......	......	......	995,333	......	......	......	261,899,096	4,444,774	267,339,203
	$	......	......	......	41,875	......	......	......	7,097,727	120,458	7,260,060
Manganese ore	tons	60	57	......	......	......	......	......	......	......	117
	$	2,400	493	......	......	......	......	......	......	......	2,893
Nickel	lb.	......	......	......	65,666,320	......	......	......	......	......	65,666,320
	$	......	......	......	15,267,453	......	......	......	......	......	15,267,453
Paladium, Rhodium, etc.	oz.	......	......	......	46,918	......	......	......	......	......	46,918
	$	......	......	......	1,217,717	......	......	......	......	......	1,217,717
Platinum	oz.	......	......	......	44,725	......	......	......	20	......	44,745
	$	......	......	......	1,595,117	......	......	......	713	......	1,595,830
Selenium	lb.	......	......	......	16,899	3,870	......	......	731	......	21,500
	$	......	......	......	32,108	7,353	......	......	1,389	......	40,850
Silver	oz.	48	......	535,802	7,470,681	836,547	......	29	8,030,465	3,684,644	20,558,216
	$	14	......	160,044	2,231,492	249,877	......	9	2,398,700	1,100,603	6,140,739
Zinc	lb.	......	......	......	......	35,173,749	......	......	202,071,702	......	237,245,451
	$	......	......	......	......	898,338	......	......	5,160,911	......	6,059,249
Total	$	11,923	493	12,184,153	73,406,353	7,119,380	......	4,040	23,772,782	2,136,947	118,636,071
Non-Metallics:											
Fuels											
Coal	tons	4,952,182	181,327	......	......	......	657,723	4,562,004	1,876,476	904	12,230,616
	$	19,004,402	740,471	......	......	......	936,918	13,339,816	7,151,461	5,039	41,178,107
Natural gas	M cu. ft.	......	652,947	......	7,395,000	600	......	18,482,355	......	......	26,530,902
	$	......	322,330	......	4,437,000	180	......	4,384,694	......	......	9,144,204
Peat	tons	......	......	1,170	......	......	......	......	......	......	1,170
	$	......	......	5,937	......	......	......	......	......	......	5,937
Petroleum, crude	brl.	......	6,577	......	122,365	......	......	1,408,058	......	......	1,537,000
	$	......	15,693	......	219,992	......	......	4,025,000	......	......	4,260,685
Total	$	19,004,402	1,078,494	5,937	4,656,992	180	936,918	21,749,510	7,151,461	5,039	54,588,933
Other Non-Metallics:											
Total	$	1,066,481	463,438	5,491,571	2,652,058	307,748	422,057	4,060	441,757	......	10,849,170
Clay Products:											
Total	$	467,126	134,313	2,357,908	3,546,342	122,628	166,257	529,714	488,216	......	7,812,504
Other Structural Materials:											
Total	$	515,959	405,508	15,633,826	11,865,245	2,428,620	589,140	1,683,459	2,447,930	......	35,569,687
Grand Total		21,065,891	2,082,246	35,673,395	96,126,990	9,978,556	2,114,372	23,970,783	34,302,146	2,141,986	227,456,365

Alberta Pacific Oils Has Fruitless Year

Annual report of Alberta Pacific Consolidated Oils for the year ended December 31, 1931, reflects one spent in a serious but unfruitful effort to develop oil leases held by the company in Alberta.

During the year $144,615 was spent on development and administrating the company. In the same time the income from investments, oil sales and royalties was $50,315. This compares with expenditures on development and administration of $921,925 as against income from investments and oil sales of $118,800, in 1930.

In his report to shareholders, A. B. Singleton, president of the company, advises that the Spring Coulee well was abandoned and that the drilling agreement with Frontier Developments had been satisfactorily cancelled, without the necessity of drilling in the Brazeau and Parker Creek areas. In the Taber and Pincher Creek wells did not reach production.

On March 14, 1931, the company held leases on 55,653 acres of prospective oil lands, in 16 areas, principally in Alberta.

The balance sheet of the company shows current assets of $247,084, including unstated investments at cost of $221,739, as against current liabilities of $3,600. Revenue is stated to be sufficient to meet expenses since no development work is in hand.

NORTHERN CANADA'S INTERESTS EXPAND

Report Shows Active Year Shared With Associates

The annual report of Northern Canada Mining Corp. for the year ended Dec. 31, 1931, shows a net profit after providing for Dominion income taxes of $13,017 as compared with $6,716 in 1930. Liquid assets of the company total $3,469 as against current liabilities of $2,019. In addition, the company has shares in other companies which on Dec. 31, 1931, had a market value of $1,071,368.

During the year the company acted as intermediary for the Kirkland Lake Gold Mining Co., in acquiring controlling interest in the Grozelle Kirkland Gold Mines in the open market. Shares in the latter company have been turned over to the Kirkland Gold Mining Co. in consideration of a small commission which formed part of the company's income in 1931.

During 1931 the company participated to the extent of approximately 30 per cent in fifteen claims staked in Swayze township, Ontario, by the Brett-Trethewey Mines on which exploration work is proceeding with encouraging results.

Jointly with the Kirkland Lake Gold Mining Co., a 70 per cent interest was acquired in the Ursa Major Mines, formed to prospect a group of 35 claims staked in the Great Bear Lake area in 1931. Arrangements have been made for the exploration of these claims.

The six claims optioned by the company in the Matachewan area during 1931 were dropped after exploratory work indicated that further expenditures were not warranted.

The annual meeting of this company is called for March 24 in Toronto.

BLUEBIRD MINES REGAINS ASSETS

S. W. Miller Gives Note and Security for Bonds Liquidated

Annual report of Bluebird Mines, which conducted a development programme on its silver-lead property in the Slocan mining division of British Columbia until operations were suspended last June, shows operating and general expenses of $3,904 as against income from investments of $4,800. Current assets of the company including notes receivable of $81,050, total $82,445, with current liabilities totalling $2,117.

Early in December, 1931, there was a reorganization of the directorate following the resignation of W. H. Burgess, managing director and secretary of the company, after criticism by shareholders. The criticism rose because current assets, bonds and preferred stock valued at $73,375 were converted without the authority of the board of directors, into preferred shares of the Stock Exchange Building Corp., in Vancouver, through Miller, Court & Co. The action was discussed at the annual meeting held in Vancouver early in 1931, although the registered office of the company is in Kaslo, B.C.

S. W. Miller of Miller, Court & Co., former president of the company, has been elected secretary and has entered into agreement with the company to repay $81,800 with interest at seven per cent per annum, over a period of approximately three years. Notes to this amount were signed and collateral security given for his compliance with the terms of the agreement.

Development at the mine is being carried on under contract extending the No. 2 adit. Encouraging showings have been met with in the No. 3 crosscut and plans call for further work in this area including a raise to the upper level. Additional equipment is being employed to speed development.

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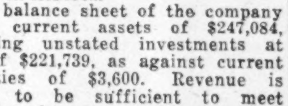

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